

Extension of DM service to enable Consumer Demand Side Management

Gareth Evans - Total gas and Power Ltd

Introduction

Presentation is intended to outline proposal to create a new category of Dm site which utilises emerging Remote Metering technology

- Current market Framework
- Impact on Remote Metering
- Proposed Changes
- UNC changes to accommodate DM (AMR)
- System changes to accommodate DM (AMR)
- Benefits and Way forward



TOTAL

Current Market Framework (1/3)

A site must be classified as a Daily Read Site if :

- The Supply Point has an AQ of greater than 58,600,000 kWh (2m Therms) and the Meter Point in question has an AQ > 2,196,000 kWh (75,000 Therms);
- If it is an NTS Supply Point; or
- If it is an Interruptible Supply Point. Any Supply Point with an AQ 5,860,000 kWh (200,000 Therms) can be an interruptible Supply Point.

In practice there are very few firm supply points below 2,000,000 Therms that are DM Metered.

This is in contrast to the original plan at UNC inception to have all sites above 25,000 Therms to be DM.



TOTAL

Current Market Framework (2/3)

There are at present several obligations placed upon Transporters with regard to DM Meters

- The meter must have attached a datalogger for recording previous day reads;
- A communication link to enable the Transporter to interrogate it remotely must also be installed. It must be a telephone line if practicable; otherwise radio equipment may be used;
- The Transporter must read the meter at the beginning and the end of the Gas Day. These must be provided to User by 11.00 am the following day;
- Shippers may request hourly reads , which are provided in four-hourly chunks.



TOTAL

Current Market Framework (3/3)

At present the UNC restricts the number of meter readings that can be submitted to Xoserve to no more regularly than:

- in the case of a Monthly Read Meter, every 7 Days;
- in the case of a Larger Annual Read Meter, every 14 Days ;
- in the case of a Smaller Annual Read Meter, every 63 Days.

These limitations were put in place after modification 0693 was approved.



TOTAL

Impact on Remote Metering (1/2)

- MAM can collect Reads from any NDM site fitted with a AMRS meter at any time.
- The Shipper is only able to submit one read a week to Xoserve however.
- So reads do not feed into reconciliation on a daily basis, but utilise NDM profiles to determine consumption.
- If a site does not readily fit an EUC profile, then the costs incurred by that consumer do not reflect their consumption patterns.



Impact on Remote Metering (2/2)

- The following example demonstrates how a NDM site's costs are affected by the attempt to reduce gas consumption in response to high prices.

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
Consumption	80	90	0	100	150	75	75	570
D-1 Spot Price (£/Th)	0.60	0.80	1.35	0.96	0.65	0.50	0.50	
Allocation	80	90	100	100	100	50	50	570
Deviation	0	0	-100	0	50	25	25	0
SMBS/SMSS (£/Th)	0.55	0.75	1.25	0.85	0.45	0.35	0.30	
Imbal Cost	0	0	£125	0	£22.50	£8.75	£7.50	£86.25

- Customer attempts to reduce his gas costs in response to high prices. Owing to the allocation mechanism the Shipper is penalised and Customer does not see benefit.



Proposed Changes

- **No change to current DM Sites**
- **Allow Shippers to nominate sites that are below 2,000,000 Therms (down to 25,000 Therms?) to be DM sites.**
- **These new sites would be managed by Shippers through MAMs.**
- **Shippers would be responsible for managing DM(AMR) sites.**
- **Do not anticipate a need for dataloggers or telephone links as AMRS technology would supersede these requirements.**



TOTAL

UNC changes to accommodate DM (AMR)

- **Nomination process**
- **Deadlines for submission of DM reads.**
- **Substitution procedure in case Shippers does not submit DM reads**
- **Incentives required to ensure submission of reads?**

Current framework exists for DM reads.



TOTAL

System changes to accommodate DM (AMR)

- Appreciate Transporter concerns on system limitations.
- System change inevitable if AMR technology is to be meaningfully utilised at some point.
- Validity in stepped approach to converting sites to DM sites?



TOTAL

Benefits and Way forward

- Improves accuracy and validity of settlement.
- Enables Demand side response from mid-sized I&C Customers in response to high-gas prices.
- Improves forecasting by reducing the number of sites who use EUC profiles to allocate daily consumption
- Need to implement this now to take advantage of new metering technology.
- Raise modification for consideration at June Panel, incorporating comments.



TOTAL