

UNC Representation received by Email

0818 - Releasing of unused capacity under a specific set of circumstances

Date: 16 September 2022

Organisation: Major Energy Users' Council

Abstract:

In a future when demand is predicted to fall, why would a GDN want to prevent a consumer from paying for capacity they are not using?

With domestic demand under threat with the Government pushing heat pumps, the remaining gas consumers are already facing increases in GDN charges, why turn away revenue from large consumers who are prepared to pay for capacity they may not use?

At a time when many businesses are under threat of closure this modification sends out the wrong message to the industry. I would also suggest it should be a time to reassess demand requirements before making this step.

As the mod says, the GDN already has the power to discuss a site's usage with its owner. The GDN should use the power of persuasion and not be dictatorial in bringing about the change they require and ignoring their consumers desire.

I am opposed to giving the GDN the power to independently decide how much capacity a site can have.

Unless any reduction in capacity demand is immediately replaced by new consumers, charges for all remaining users will automatically increase to recover the GDN's allowed revenue.

Many consumers, including domestic, will have last used their maximum demand in March 2018, more than 4 years ago, which negates the three years contained in the Modification.

Perhaps there is a role for the amended Demand Side Response product to encourage large consumers to reduce their firm capacity bookings with the balance made up by DSR. Alternately consumers requesting a new connection could be offered a non-firm capacity booking linked to DSR.

At UNC Panel, the Proposer made the point, when responding to the Modification, on weekly capacity auctions that GDNs were excluded from taking part and that the Modification breached a Gas Transporter licence condition not to discriminate.

When asked how many consumers would be impacted by this Modification, the answer was not many. I therefore suggested that Modification 0818 was a breach of this condition as GDNs were happy to take money off other consumers where there was no capacity restrictions and would not reduce their capacity by using this Modification for them.

Regards Eddie

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