

Representation - Draft Modification Report UNC 0822

Reform of Gas Demand Side Response Arrangements

Responses invited by: 5pm on 22 September 2022

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Jeff Chandler
Organisation:	SSE
Date of Representation:	22/9/22
Support or oppose implementation?	Support
Relevant Objective:	<p>a) Positive/</p> <p>b) Positive/</p>
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

SSE is supportive of the modification. More needs to be done to encourage DSR to avoid a GDE stage 2 and firm load shedding in the event of a prolonged cold Winter. An option fee for DSR is something that was omitted in the past and has been reported by NGGT as being requested by Industrial Users to make DSR more commercially viable.

This Urgent modification is probably not the best solution to encourage all DSR but it is a start. Multiyear contracts are likely to be required given 1. The cost of reinstating/installing alternative back-up fuels and 2. That this Winter is unlikely to be the last Winter that this service is required.

Given the above and that a significant quantity of DSR should be acquired, more than the few mcm/d mentioned by NGGT at workgroup. We think Ofgem should be more flexible and ambitious than the £5 Million funding. In-addition, for the future, we think alternative funding for DSR option fees should be provided through Non-Transmission charges. This will better reflect that the nature of the costs incurred are to operate the system safely via an insurance premium/option fee to protect society.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

As soon as possible to facilitate the DSR contracting process ahead of Winter.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

Not reviewed

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

Not reviewed

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

Not reviewed.

Please provide below any additional analysis or information to support your representation

None