

**UNC Workgroup 0845 Minutes
Enhancements to Demand Side Response (DSR) Arrangements
including a D-5 Product
Tuesday 16 May 2023
via Microsoft Teams**

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Benjamin Cull	(BC)	Department for Energy Security and Net Zero
Bushra Shammout	(SB)	Department for Energy Security and Net Zero
Carlos Aguirre	(CA)	Pavilion Energy
Christiane Sykes	(CS)	Shell
James Lomax	(JL)	Cornwall Insight
Maryam Khan	(MK)	Ofgem
Matthew Newman	(MN)	National Gas Transmission
Mathew Chandy	(MC)	Ofgem
Ofordi Nabokei-Hazekamp	(ONH)	National Gas Transmission
Phil Hobbins (Proposer)	(PH)	National Gas Transmission
Phil Lucas	(PL)	National Gas Transmission
Shiv Singh	(SS)	Cadent
<p><i>This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.</i></p> <p><i>The Workgroup Report is due to be presented at the UNC Modification Panel by 15 June 2023.</i></p> <p><i>Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: https://www.gasgovernance.co.uk/0845/160523</i></p>		

1.0 Introduction and Status Review

1.1. Approval of Minutes (04 May 2023)

Approved

1.2. Approval of Late Papers

None to approve.

1.3. Review of Outstanding Actions

0501: NGT (PH) to explore if there are any potential credit balancing concerns or impacts to the Energy Balancing Credit Risk process rules and controls for Modification 0844 and 0845.

Update: Phil Hobbins (PH) confirmed this is due to be discussed at the EBCC on 24 May 2023.

Carried Forward.

2.0 Modification Assessment

The Proposer, Phil Hobbins (PH) provided the Amended Modification, which had been updated to align with the discussions and pre-advised changes presented on 04 May 2023, to enhance the

current Demand Side Response (DSR) Arrangements including a D-5 Product to deliver greater optionality for Users and consumers.

PH provided the Workgroup with a review of the Amended Modification providing an explanation of the changes and the reasons why these changes had been made. Please refer to the Amended Modification Version 2.0 published at: <https://www.gasgovernance.co.uk/0845>

The Workgroup raised no concerns with the changes outlined.

The Workgroup considered the Solution and each Business Rule. This covered: the eligibility criteria, the D-1 and D-5 DSR Options, the User obligations, the procurement process, the assessment of offers, the notifications to be provided and the timings, the Balancing Actions and an overview of the reporting. It was clarified that the invoicing process will remain the same.

PH pointed to additional text added on page 8 of the Proposal that clarifies the process and actions required such that if the Margins notice is issue after 16:00 then the obligation for the User to post the bid by 17:00 will fall away.

PH also pointed to a small typographical error in business rule 5 where it should refer to BR4a and 4b – this will be corrected.

The Workgroup considered the EU Balancing Code and article 22(5) and the rationale for excluding the volumes and costs of exercise of a DSR D-5 Product from the calculation of the imbalance Cash-Out prices.

The Workgroup was provided with an opportunity to raise any further clarification required. None were raised. Some further refinements were anticipated for review at the 01 June meeting.

3.0 Development of Workgroup Report

The Workgroup considered the elements which needed to be recorded within the Workgroup Report to provide a strawman for the next meeting on 01 June.

The Workgroup considered the Panel Questions and the potential risk of consumers that are subject to within-day 'front-loading' offtake in a 'reduce-to' regime.

The relevant objectives were briefly considered and the regime relying on the Residual Balancing Role.

No additional comments were requested at this stage for the Workgroup Report.

4.0 Next Steps

Expected next steps:

- Review of Amended Modification
- Review of Legal Text
- Completion of Workgroup Report

5.0 Any Other Business

None.

6.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Workgroup meetings will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Thursday 01 June 2023	5 pm Tuesday 22 May 2023	Microsoft Teams	<ul style="list-style-type: none">• Modification Assessment• Consideration of Legal Text

			<ul style="list-style-type: none"> • Completion of Workgroup Report
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0845 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	04/05/23	1.0	NGT (PH) to explore if there are any potential credit balancing concerns or impacts to the Energy Balancing Credit Risk process rules and controls for Modification 0844 and 0845	June 2023	National Gas (PH)	Carried Forward