

Representation - Draft Modification Report UNC 0856

Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR)

Responses invited by: **5pm on 04 December 2023**

To: enquiries@gasgovernance.co.uk

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

Representative:	Edward Allard
Organisation:	Cadent Gas Limited
Date of Representation:	29 th November 2023
Support or oppose implementation?	Qualified Support
Relevant Objective:	<p>a) Positive</p> <p>b) Positive</p> <p>f) None</p>
Relevant Charging Methodology Objective:	Not Applicable

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

Cadent are principally supportive of this modification, as its' implementation enables the design of Non-Daily Metered (NDM) Demand Side Response (DSR) trials, which are then subject to consultation and Ofgem approval. We believe the trialling of DSR trials amongst this customer group has the potential to offer significant learning which can shape future DSR products.

However, our support for recommended approval of this modification is qualified by several caveats:

- It is understood that our general support for this modification doesn't guarantee our backing of individual trials at the specification consultation stage. Our support for individual trials will be assessed on the merits of the Specification Document, as well as National Gas's identification and proposed mitigation of risks associated with the delivery of NDM DSR trials – e.g., treatment of vulnerable customers,

unintended consequences on the National Gas Emergency Service, communications, and messaging to consumers etc.

- That during trial reporting/evaluation, consideration is given to NDM customers behaviours when opting to use less gas. For example, does a domestic customer decreasing their usage of their gas central heating in favour of using an electric fan heater represent success and the intent of the trial; particularly, as some alternative heat sources are less efficient, and may use gas as part of power generation. We would expect any trial Specification Document published for consultation to include detail on how National Gas will evaluate this impact.

We have outlined our rationale to support our views on the impacts on the relevant objectives (above):

Relevant Objective a) “*Efficient and economic operation of the pipe-line system*” =

We believe that this modification furthers relevant objective A. This modification acts as an enabler for NDM customers to participate in Demand Side Response (DSR) trials. Trials will be subject to their specifications being consulted upon and obtaining approval from Ofgem. NDM DSR trials will offer National Gas Transmission and wider industry with valuable insights that will either enhance the overall effectiveness of NDM DSR or provide learning to suggest that NDM DSR returns lower benefit than forecasted. Both scenarios could mitigate the impact and avoid future national gas supply emergencies, ensuring the continued efficient and economic operation of the pipe-line system.

Relevant Objective b) “*Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/or (ii) the pipe-line system of one or more other relevant gas transporters*” =

We believe that this modification furthers Relevant Objective B and agree with the proposer’s rationale relating to the furthering of this relevant objective. NDM DSR trials would assist in the creation of sustainable longer-term tools that could improve the coordination of the NTS (primary transporter) and DNs (secondary transporters) and maintain the economic and efficient operation of the pipe-line system when managing future National Gas Supply Emergencies.

Relevant Objective f) “*Promotion of efficiency in the implementation and administration of the Code*” =

It is Cadent’s view that the modification is neutral, in that it neither furthers nor negatively impacts Relevant Objective F. We believe that whilst the conducting of trials prior to lasting change is sensible, it doesn’t fully eliminate the possibility of trials not identifying insights that need to be considered for permanent code changes.

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

The modification should be implemented as soon as reasonably practical following authority decision, so as to enable the proposer to consult on its proposed trial specification(s).

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

No costs or impacts resulting from implementation of the modification identified. NDM DSR trials have the potential to impact Cadent (e.g., usage of gas emergency service etc.), but impact and costs would be assessed as part of the specification document consultation.

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

We are satisfied that the Legal Text will deliver the intent of the solution.

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.*

None

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

Nothing further to add.

We trust that this information will assist in the completion of the Final Modification Report.

Please contact me on 07891670444 (Edward.allard@cadentgas.com) should you require any further information.