

Representation - Draft Modification Report UNC 0856
Joint Office of Gas Transporters
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.

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| Representative: | Andrew Eisenberg |
| Organisation: | E.ON |
| Date of Representation: | 4 December 2023 |
| Support or oppose implementation? | Qualified Support |
| Relevant Objective: | a) Positive b) Positive f) Positive |
| Relevant Charging Methodology Objective: | Not Applicable |

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

We support the modification in principle, and believe the trials approach is an appropriate framework which reflects the flexibility and innovation required to improve energy security and mitigate risk of a Gas Deficit Emergency.

The proposed approach in our view furthers all three objectives, including objective f). The trials-based approach promotes code implementation and administration efficiency as it allows lessons to be learned and risks to be understood fully before further change, and decreases the risk of need for any change to be reversed.

That said, we do not necessarily support individual trials, and such support is dependent on the specification document.

We are concerned about financially incentivising domestic customers, especially those who have both physical and financial vulnerabilities, to reduce gas consumption during the coldest periods of the year.

We also share concerns that the flexibility available to a domestic consumer to reduce gas consumption is more limited than is available for electricity, and there is therefore inherent potential for essential gas demand for heating and cooking to be transferred to electricity demand instead. This would likely increase gas generation, and potentially lead to payments to consumers for behaviour which may in reality have no net benefit on gas demand reduction.

We would expect that any specification document would specify how these risks will be mitigated through the trial, and how the trial intends to better inform the industry in these key areas of concern. We would view these issues as integral to assessing the success or otherwise of a trial.

We are keen to ensure trials are value for money and therefore are not provided with uncapped funding. The provisions in the legal text requiring Authority approval for additional funds is therefore sensible governance. We note the commitment within the solution to engage with interested parties as well as the Authority in such a scenario, and we would expect those interested parties to include Suppliers and Shippers.

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

Implementation as soon as practicable if trials are to commence this winter.

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

Development and operational costs if participating in a trial.

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

Yes

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.*

No

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

N/A