

## 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](mailto:enquiries@gasgovernance.co.uk)

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

<b>Representative:</b>	Matt Newman
<b>Organisation:</b>	National Gas Transmission (NGT)
<b>Date of Representation:</b>	04 <sup>th</sup> December 2023
<b>Support or oppose implementation?</b>	Support
<b>Relevant Objective:</b>	<p>a) Positive</p> <p>b) Positive</p> <p>f) Positive</p>
<b>Relevant Charging Methodology Objective:</b>	Not Applicable

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

As Proposer, NGT supports implementation of this Modification proposal. It is designed to introduce a framework which permits NGT to run Trials for Non-Daily Metered (NDM) Demand Side Response (DSR) where payments made to Consumers / Service Providers associated to a reduction in consumption are funded by the Energy Balancing Neutrality mechanism. The use of NDM DSR Trials will facilitate learning and data gathering which will support NGTs and the industry's longer term thinking on the suitability and effectiveness of a potentially enduring NDM DSR tool.

NGT believe that Relevant Objective a) "Efficient and economic operation of the pipe-line system" is furthered by this Modification which is designed to introduce a framework which permits NGT to run Trials for the purpose of developing our thinking around NDM DSR. The learnings and recommendations from the Trials have the potential to increase the range of tools available to the Gas System Operator to mitigate a Gas Deficit Emergency (GDE) if an enduring product is subsequently developed.

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” is also furthered by the Modification because the learnings from this Modification may have a direct contribution towards enhancements in GB’s security of supply and mitigating against a GDE. If a GDE did occur, it may result in firm load shedding on the NTS and Distribution Networks. Resulting in disruption and inefficient operation on the Network due to some parties being prevented from taking gas when they would have planned to do so. Implementation of this Modification allows DSR to be utilised by new consumer groups and has potential to increase the effectiveness of the DSR tools available and therefore enhance the efficient operation of the networks.

NGT note that workgroup participants did not disagree with the arguments put forwards for Relevant Objectives (a) and (b).

NGT consider that Relevant Objective f) “Promotion of efficiency in the implementation and administration of the Code” is also furthered because it may prevent full scale solutions being implemented into the UNC which are then not fully utilised or need to be reformed/removed due to first year operational learnings. However, it is important to note this Relevant Objective is secondary to (a) and (b).

Additionally, due to the interaction with Domestic and potentially vulnerable consumers and the unique risks which are associated to this group, NGT consider that the introduction of an enduring solution at this time would not be appropriate because of these interactions, the industry needs to better understand the product and any unintended consequences of it. By exploring these risks in a more controlled environment and at a smaller scale, they can be more easily managed and potential mitigations identified.

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

As stated in the Modification, NGT propose that the implementation date should be the next business day following the Authority’s decision.

A decision from the Authority is sought in early January 2024. In the event of a positive decision, NGT intend to publish an associated ‘Specification Document’ which is required pursuant to Modification 0856 to enable the proposed NDM DSR Trials that we are aiming to run within the Winter Period.

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

NGT will face increased OPEX costs associated with resourcing and running the trials.

The Modification Proposal confirms that payments to Service Providers / Consumers for NDM DSR Trials will be funded via the Energy Balancing Neutrality mechanism.

Additionally, there will be an impact on the CDSP to enable the money flows to the service providers, however at this time it is believed that this can be accommodated from a trial perspective within existing service lines.

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

Yes, NGT believe the proposed legal text will permit the use of Trials for NDM DSR which are funded by Energy Balancing neutrality.

**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.*

N/A.

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

N/A.