

The purpose of this note is to explain the rationale for National Gas Transmission's decision to withdraw **Modification Proposal 0867**.

The objective of this Proposal was to establish a framework in the UNC to enable multiple sites to offer Demand Side Response (DSR) to NGT in an aggregated form via a single DSR Option.

The purpose of seeking this change was to encourage further industry participation in pre-emergency voluntary DSR arrangements from smaller sites that, alone, would not meet the minimum volume threshold and thus enhance the effectiveness of this as a system management tool in times of system stress.

As we have set out in Workgroup 0867 meetings to date, before the arrangements were developed in any greater detail, we wanted to establish the likelihood of their use. We have therefore been engaging with eight industrial and commercial (I&C) Consumer Associations in order to assess whether additional DSR quantities would indeed be forthcoming from industrial consumers if we introduced the 'DSR Aggregation' facility. We consider such evidence to be important from a cost / benefit perspective, given the expected industry time required to develop the arrangements and costs of implementation.

We have now finished our market assessment with I&C Consumer Associations and have concluded that there is very little interest in DSR Aggregation from I&C consumers. As a consequence **we are discontinuing work to implement DSR Aggregation** as we do not believe that introduction of this mechanism would realise any material additional DSR quantities.

Given this, we have taken the decision to **withdraw Modification Proposal 0867**. Prospectively, should we receive any compelling evidence of demand for submission of DSR Options in aggregated form, we will consider whether to resurrect this Proposal taking account of the prevailing DSR arrangements in place at that time.

*National Gas Transmission*  
*1<sup>st</sup> May 2024*