

Representation - Draft Modification Report UNC 0844

Enabling Direct Contractual Arrangements with Consumers for Demand Side Response

Responses invited by: **5pm on 13 July 2023**

To: enquiries@gasgovernance.co.uk

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

Representative:	Kirsty Dudley
Organisation:	E.ON
Date of Representation:	19/06/2023
Support or oppose implementation?	Qualified Support
Relevant Objective:	a) Negative b) Negative
Relevant Charging Methodology Objective:	Not Applicable

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

We recognise the intent of the modification and understand what the proposer is trying to achieve. Our biggest concern is that there is a reliance on the Customer to inform the Shipper, but should this not occur then the Shipper could be penalised for a contractual relationship it is not involved in.

Without a step which sees National Grid being held accountable for informing the Shipper, it will open the Shippers up to risks which we don't believe should be knowingly left in this solution design.

For the volume of Customers/sites which currently qualify we believe that resourcing this is not a stretch for the proposing organisation, and to plug this process gap would go towards demonstrating their willingness for collaborative working for this process. The omission of a solution for this step is disappointing.

The Customer is unlikely to understand why they are being charged for scheduling charges and energy imbalance costs, which are likely where the Customer does not contact the Shipper. Unless the proposer intends to cover this, which we don't believe has been included in the solution.

As some Shippers act on behalf of a number of Suppliers it is putting an additional obligation on communication from Customer to Supplier and then Supplier to Shipper, that could easily be resolved by a quick notification from National Grid to the Shipper at the point they are also updating the DN's.

Should this be extended from the anticipated 30 maximum, we accept that a more automated process would be needed but at the current low levels, an obligation to directly contact the Shipper is essential.

The admin activity could be delegated to the CDSP but to leave the Customer to be the messenger we don't believe would be the best approach for this process.

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

If approved we will work to the date directed.

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

If there is a mechanism introduced to ensure Shippers are informed of this it would be a light cost approach, but should the omitted part of the process remain, the costs could be significant if the energy is purchased where it is not required because a Customer has agreed to curtail.

The customer could incur scheduling and imbalance charges where curtailment updates do not reach the Shipper, something which turns the objectives from positive to negative in our view.

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

No additional comments to the omission raised in earlier comments.

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 further comments.

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

No further comments.