

7 June 2023

MODIFICATION 0844

ENABLING DIRECT CONTRACTUAL ARRANGEMENTS WITH CONSUMERS FOR DEMAND SIDE RESPONSE

MODIFICATION 0845

ENHANCEMENTS TO DEMAND SIDE RESPONSE (DSR) ARRANGEMENTS INCLUDING A D-5 PRODUCT

EXPLANATORY TABLE

Reference	Explanation	Business Rule (DRQ, D5 and C) ¹
TRANSPORTATION PRINCIPAL DOCUMENT	-	-
SECTION D – OPERATIONAL BALANCING AND TRADING ARRANGEMENTS	-	-
New paragraph 1.5	New heading.	-
New paragraph 1.5.1	Moving text from existing paragraph 5.1.1(c).	-
New paragraph 1.5.2	Moving text from existing paragraph 5.1.1(d).	-
New paragraph 1.5.3	Moving text from existing paragraph 5.3.1.	-
New paragraph 1.5.4	Moving text from existing paragraph 5.3.2.	-

¹ **DRQ** are Demand Reduction BRs in 0845, **D5** the D-5 Product BRs in 0845 and **C** are the BRs in 0844.

New paragraph 1.5.5	Moving text from existing paragraph 5.3.3.	-
Amended paragraph 5.1.2(a)	To add in a reference to DMA Supply Points.	See 0845 and revised Eligibility Criteria.
New paragraph 7	New heading.	-
New paragraph 7.1	New heading.	-
New paragraph 7.1.1	To explain NGT can enter into DSR arrangements with User and Consumers.	
New paragraph 7.1.2	To explain what a commitment to provide DSR entails.	-
New paragraph 7.1.3	To set out the defined terms applicable to the new paragraph 7.	DRQ BR1, D5 BR1, 2, 3, C BR3
New paragraph 7.2	New heading.	-
New paragraph 7.2.1	To set out how the 'Winter Average Demand' for a Supply Meter Point in respect of a DSR Option will be calculated.	DRQ BR2, 5, C BR19
New paragraph 7.2.2	To establish when National Gas Transmission has to tell a DSR Participant of the applicable Winter Average Demand for a relevant Gas Year.	DRQ BR2, 4, C BR18
New paragraph 7.2.3	To set out how the 'Option Quantity' in respect of a DSR Option will be calculated.	DRQ BR2, D5 BR18
New paragraph 7.2.4	To explain the basis for calculating the 'Available Exercise Quantity'.	-
New paragraph 7.3	New heading.	-

New paragraph 7.3.1	To set out the defined pricing terms relevant to pricing a DSR Option.	-
New paragraph 7.3.2	To set out how the Exercise Price payable to a DSR Participant when the DSR Option is exercised is calculated.	D5 BR5, C BR6, 29
New paragraph 7.3.3	To define the term 'Combined Price'.	-
New paragraph 7.3.4	To explain that where required for the purposes of calculating the Combined Price NGT will use a deemed forward price for SAP for the relevant Winter Period.	D5 BR10
New paragraph 7.4	New heading.	-
New paragraph 7.4.1	To explain when and how National Gas Transmission will invite Users and Consumers to submit DSR Option Offers.	D5 BR3, C BR1, 4, 5
New paragraph 7.4.2	To set out the content requirements for an invitation to submit DSR Option Offers.	-
New paragraph 7.4.3	To specify Consumer-facing content requirements for an invitation to submit DSR Option Offers.	-
New paragraph 7.5	New heading.	-
New paragraph 7.5.1	To set out what information must be specified in a DSR Option Offer.	DRQ BR1, D5 BR5, C BR6, 9
New paragraph 7.5.2	To explain what additional information may be specified in a DSR Option Offer.	D5 BR6, C BR7
New paragraph 7.5.3	To explain a DSR Participant's options in submitting DSR Option Offers.	D5 BR4, C BR8,

New paragraph 7.5.4	To explain that a DSR Option Offer that does not comply with the requirements with paragraph 7.5 will not be considered for acceptance.	-
New paragraph 7.5.5	To allow DSR Participants to withdraw or modify a DSR Option Offer before the specified time.	-
New paragraph 7.6	New heading.	-
New paragraph 7.6.1	To explain how National Gas Transmission will select which of the DSR Option Offers it will accept.	DRQ BR3, D5 BR7, 8, C BR2, 10, 11, 12, 13, 14
New paragraph 7.6.2	To explain what happens when a DSR Participant submits DSR Option Offers for the same Supply Meter Point for more than one Option Timeframe.	D5 BR4
New paragraph 7.6.3	To explain what happens when multiple DSR Participants submit DSR Option Offers for the same Supply Meter Point or Shared Supply Meter Point.	DRQ BR6, C BR8, 15
New paragraph 7.6.4	To explain what process National Gas Transmission will follow once it completes the selection of DSR Option Offers for acceptance.	C BR 17
New paragraph 7.6.5	To explain how an DSR Option will be entered into and come into force upon acceptance by National Gas Transmission of the corresponding DSR Option Offer.	D5 BR11, C BR2, 16, 20, 21, 22
New paragraph 7.6.6	To establish when National Gas Transmission will publish the outcome of an invitation to submit DSR Option Offers and what information must be reported on.	D5 BR42, C BR41
New paragraph 7.6.7	To make clear DSR Option Offers for Y+1 and Y+2 will lapse if the relevant DSR Quantity is less than the minimum quantity.	DRQ BR4, C BR14

New paragraph 7.7	New heading.	C BR24, 25
New paragraph 7.7.1	To explain under what circumstances National Gas Transmission may exercise a DSR Option.	D5 BR12, 13, 14, 15, 22
New paragraph 7.7.2	To elaborate on the provisions of paragraph 7.7.1 and specify under what circumstances National Gas Transmission may exercise a 5-Day-Ahead Option.	D5 BR12, 13, 14, 15
New paragraph 7.7.3	To explain the circumstances under which National Gas Transmission may not exercise a DSR Option.	-
New paragraph 7.7.4	To explain how a DSR Participant is treating as complying with an exercised DSR Option.	D5 BR16
New paragraph 7.7.5	To set out the consequences of a DSR Participant's non-compliance with an exercised DSR Option.	D5 BR24, 25, 26, 30, C BR40
New paragraph 7.7.6	To establish a requirement that National Gas Transmission notify the DN Operator if the Supply Meter Point in respect of an exercised DSR Option is a LDZ Supply Meter Point.	-
New paragraph 7.8	New heading.	-
New paragraph 7.8.1	To explain, where a User DSR Option is in force, the relevant User's obligation to post a DSR Market Offer and the option or obligation of National Grid Transmission to accept such offer.	D5 BR17, 18, 23
New paragraph 7.8.2	To elaborate on the requirements of paragraph 7.8.1, and specify by when the User must post a DSR Market Offer by.	-
New paragraph 7.8.3	To explain that there is no obligation to post a DSR Market Offer under a Day-Ahead Option if the relevant Margin Notice is issued after 16:00 hours on D-1.	-

New paragraph 7.8.4	To identify the provisions a DSR Market Offer must comply with, the restrictions on revising or withdrawing a DSR Market Offer and the requirements in relation to submitting a Nomination or Renomination.	DRQ BR9, D5 BR20, 21
New paragraph 7.8.5	To set out content requirements for a DSR Market Offer and restrictions on such offer.	D5 BR18, 19
New paragraph 7.8.6	To set out how Available Exercise Quantity in respect of a User DSR Option will be calculated.	DRQ BR7
New paragraph 7.8.7	To confirm that if the prevailing Nomination is less than the DSR Reduced Quantity the DSR Option will not be exercised.	DRQ BR8
New paragraph 7.8.8	To set out, in respect of a 5-Day-Ahead Option, the requirement the User make an Output Nomination, the requirement National Gas Transmission accept the DSR Market Offer and the requirement the User submit a Renomination.	DRQ BR9, 10
New paragraph 7.8.9	To clarify how National Gas Transmission exercises a User DSR Option.	-
New paragraph 7.8.10	To explain what User obligations and selection process for National Gas Transmission will apply where a User DSR Option is in force and what a User's rights and obligations are when a DSR Cessation Notice is issued and is in force.	-
New paragraph 7.8.11	To specify when National Gas Transmission must accept a DSR Market Offer posted pursuant to a Day-Ahead Option by.	-
New paragraph 7.8.12	To clarify what compliance with paragraph 7.8 entails in the case of a Shared Supply Meter Point.	DRQ BR11

New paragraph 7.9	New heading.	-
New paragraph 7.9.1	To specify how National Gas Transmission may exercise a Consumer DSR Option and by what time.	C BR26
New paragraph 7.9.2	To explain what the DSR Contract requires the relevant Consumer to do where National Gas Transmission exercises a Consumer DSR Option.	C BR28
New paragraph 7.9.3	To set out how the Available Exercise Quantity in respect of a Consumer DSR Option will be calculated.	C BR27
New paragraph 7.9.4	To explain what National Gas Transmission is to pay the Consumer that complies with an exercised Consumer DSR Option.	C BR30
New paragraph 7.9.5	To clarify that calculation of System Marginal Buy Price and the System Average Price will not take into account the Available Exercise Quantity or the Exercise Price in respect of a Consumer DSR Option.	D5 BR39
New paragraph 7.9.6	To clarify that National Gas Transmission is not required to inform the Registered User of the relevant Supply Meter Point of its exercise of a Consumer DSR Option.	-
New paragraph 7.9.7	To explain National Gas Transmission's obligations when a DSR Cessation Notice is issued and is in force.	-
New paragraph 7.10	New heading.	-
New paragraph 7.10.1	To explain that National Gas Transmission is to pay Option Fee Instalments in respect of each month of the relevant Winter Period.	D5 BR33, 34

New paragraph 7.10.2	To explain how each monthly Option Fee Instalment is supposed to be calculated.	-
New paragraph 7.10.3	To explain when and in accordance with what terms Option Fee Instalments are to be paid.	D5 BR35, C BR31, 33, 34
New paragraph 7.10.4	To clarify how Option Fee Instalments are considered for the purposes of neutrality.	D5 BR35, 40, C BR32
New paragraph 7.10.5	To clarify that calculations of the System Average Price, the System Marginal Buy Price and the System Marginal Sell Price will not take into account Daily Option Fees.	D5 BR41, C BR39
New paragraph 7.11	New heading.	-
New paragraph 7.11.1	To explain that subject to some exceptions Users may not cancel or modify a DSR Option.	-
New paragraph 7.11.2	To explain what happens if a User that has entered into a DSR Option ceases to be the Registered User of the relevant Supply Meter Point.	D5 BR27, 31, 36, 37
New paragraph 7.11.3	To explain what happens if a Supply Meter Point (in respect of which a DSR Option has been entered into) is Isolated.	D5 BR28, 29, 38
New paragraph 7.11.4	To explain that a User may cancel a DSR Option originally offered for Winter Period in Year Y+1 or Y+2 by 31 July prior to the relevant Winter Period.	D5 BR31
New paragraph 7.12	New heading.	-
New paragraph 7.12.1	To explain that each User acknowledges/accepts (i) National Gas Transmission's role concerning Consumer DSR Options and (ii) each User's responsibility as the Registered User of a Supply	-

	Meter Point that is subject to a Consumer DSR Option.	
New paragraph 7.12.2	To explain that the terms of a DSR Contract must align with paragraph 7, but beyond that, are for National Gas Transmission to determine.	C BR33, 34
New paragraph 7.12.3	To explain that the DSR Contract will contain provisions for transfer/termination of DSR Option and the consequences for payment of Daily Option Fees.	-
New paragraph 7.12.4	To clarify that paragraph 7 creates no rights or obligations as between National Gas Transmission and a Consumer.	-
New paragraph 7.13	New heading.	-
New paragraph 7.13.1	To explain that Shipper Users who are not Trading Participants are allowed to participate in DSR Option Invitations and submit DSR Market Offers.	-
New paragraph 7.13.2	To define the term, 'NTST System' for the purposes of paragraph 7.13.	-
New paragraph 7.13.3	To explain how the terms defined or otherwise used in paragraph 7.13.1 are to be construed.	-
New paragraph 7.13.4	To elaborate on paragraph 7.13.3 and specify how references to a Market Transaction or a Market Offer will be construed for the purposes of paragraph 7.13.1.	-
New paragraph 7.13.5	To explain that several provisions in Annex D-1 will apply in respect of Non-Trading System Transactions and Non-Trading System Offers.	-

SECTION F – SYSTEM CLEARING, BALANCING CHARGES AND NEUTRALITY	-	-
Amended paragraph 1.2.3	To add in a reference to 'Excluded DSR Actions', as something to be excluded in determining the System Marginal Sell Price, the System Marginal Buy Price and the System Average Price.	-
Amended paragraph 1.2.4	To define 'Excluded DSR Action' for the purposes of amended paragraph 1.2.3.	-