

**UNC Workgroup 0867 Minutes
Gas Demand Side Response (DSR) Aggregation Arrangements**
Thursday 07 March 2024
via Microsoft Teams

Attendees		
Eric Fowler (Chair)	(EF)	Joint Office
Nikita Bagga (Secretary)	(NB)	Joint Office
Aidan Lo	(AL)	Joint Office
Adam Bates	(AB)	SEFE Marketing & Trading
Alex Nield	(AN)	Storeenergy
Amy Howarth	(AH)	Storeenergy
Carlos Aguirre	(CA)	Pavilion
Chris Wright	(CWr)	Exxon Mobil
Conor McClarin	(CM)	National Gas Transmission (NGT)
David Mitchell	(DM)	Scotia Gas Networks
Gaby Bezzubovaite	(GB)	Department for Energy for Security
Gavin Williams	(GW)	National Gas
Hannah Reddy	(HR)	Corella on behalf of Xoserve
Hannah Swindell	(HS)	Energy Security
James Lomax	(JLo)	Cornwall Insight
Jeff Chandler	(JC)	SSE
Joseph Leggott	(JL)	Interconnector
Josie Lewis	(JLe)	Xoserve
Louise Hellyer	(LH)	TotalEnergies Gas & Power
Mathew Chandy	(MC)	Ofgem
Nick Wye	(NW)	Waters Wye
Ofordi Nabokei	(ON)	National Gas Transmission
Phil Hobbins	(PH)	National Gas Transmission
Phil Lucas	(PH)	National Gas Transmission
Richard Fairholme	(RF)	Uniper
Seema Bosor	(SB)	Ofgem
Steve Mulinganie	(SM)	SEFE Energy

The Workgroup Report is due to be presented at the UNC Modification Panel by 19 September 2024.

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/0867/070324>.

1.0 Outline of Modification

Phil Lucas (PL) explaining that NGT have been working on a number of reforms to the current DSR arrangements. The idea is to extend the scope for which the DSR option is available.

This Modification is linked to Modification 0844 and Modification 0845 in which NGT are looking to expand further and have considered the new role of an Aggregator. The role will involve aggregating daily volumes of less than 100,000kWh into groups.

NGT have recognise there will be new contractual arrangements between NGT and the Aggregator and then between the Aggregator and the sites in the chosen portfolio. The Aggregator will act as a 'post box' to allocate payments to the consumers.

The preparatory work has been undertaken to engage with entities who may be willing to act as an Aggregator. 16 entities have been identified of which 6 expressed no interest. Of the remaining 10, 3 have expressed an interest in future involvement, 3 have not responded and 3 do not wish to be involved but would like to be kept informed. This indicates a limited level of interest.

Consumers are being engaged to understand the level of DSR response if an Aggregator was introduced. It is recognised that this would not be a small task with a cost of implementation involved so there needs to be a realistic prospect of uptake to warrant progressing further. NGT are currently liaising with sectors such as EIUG, paper and ceramics which appear to be the sectors expressing the most interest.

Steve Mulinganie (SM) asked whether NGT is interested whether the demand reduction is locational or distributed across the country. PL responded that the purpose of this Modification is based on avoidance of a gas emergency nationally and not locally.

In relation to the issue about being able to deliver a minimum 100,000kWh reduction, this will come down to defining the evidence that is required to validate performance by the aggregated meter supply points.

SM raised that the Terms and Conditions will need to be considered. SM further asked if it will be possible to act as both a Shipper and an Aggregate and whether this would be covered by way of a bilateral agreement. PL confirmed the ability to act as both a Shipper and an Aggregator are possible as NGT are not seeking to limit who can be an Aggregator. PL suggested that this will be a new form of agreement although the current NGT-consumer bilateral agreements may be used as a basis. SM advised that if a new agreement is required, this is something that should be considered early on in the process due to the amount of work that will be involved.

EF queried the terminology of 'Consumer' in the context of what sort of party could be an Aggregator. For example, Sainsburys might be an Aggregator representing their entire portfolio of sites. PL confirmed this is possible.

Please refer to the [presentation](#) slides published for further information.

2.0 Initial Discussion

2.1. Issues and Questions from Panel

2.1.1 Consider the interaction with Modification 0852.

This is in relation to the communication and dissemination of change to Offtake.

SM advised that Modification 0852 required limited communication so that parties understand what is going on. An Aggregator with a direct contract with the customer would introduce a new party and an extra step in the chain for information to be passed to the Shipper. EF discussed making DNs aware of interrupted sites as they may have the same interest however it was noted that no DNs were in attendance at this meeting.

In creating the role of an Aggregator, there needs to be an understanding of the extent to which all parties should be informed about what is happening. If this Modification is implemented, there could be 100's of sites involved which reinforces the need to ensure all parties are informed. This may be something to consider further by the Workgroup.

2.1.2 Consider any precedent associated with the introduction of an Aggregator role

EF advised that given this Modification involves a new type of party, PL will need to consider what sort of precedent exists for introducing a new role into the Code arrangements. EF advised that this point would remain on the agenda for further discussion at the next meeting.

2.2. Initial Representations

None

2.3. Terms of Reference

None.

3.0 Next Steps

None.

4.0 Any Other Business

None.

5.0 Diary Planning

0867 meetings are listed at: <https://www.gasgovernance.co.uk/0867>

All other Joint Office events are available via: www.gagovernance.co.uk/events-calendar/month

Time / Date	Paper Publication Deadline	Venue	Workgroup Programme
10:00 Thursday 04 April 2024	5 pm Wednesday 27 March 2024	Solihull/ Microsoft Teams	To consider any precedent associated with the introduction of an Aggregator role.
10:00 Thursday 02 May 2024	5 pm Wednesday 24 April 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 06 June 2024	5 pm Wednesday 29 May 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 04 July 2024	5 pm Wednesday 26 June 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 01 August 2024	5 pm Wednesday 24 July 2024	Solihull/ Microsoft Teams	TBC
10:00 Thursday 05 September 2024	5 pm Wednesday August 2024	Solihull/ Microsoft Teams	TBC