

Representation – Draft Modification Report UNC 0866S Amendments to Demand Side Response (DSR) Arrangements

Responses invited by: 5pm on 03 May 2024

To: enquiries@gasgovernance.co.uk

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

Representative:	Arjan Geveke
Organisation:	Energy Intensive Users Group (EIUG)
Date of Representation:	3 May 2024
Support or oppose implementation?	Support
Relevant Objective:	a) Positive b) Positive
Relevant Charging Methodology Objective:	Not Applicable

Reason for support/opposition: *Please summarise the key reason(s) for your support or opposition.*

The EIUG supports the proposed further enhancements to gas DSR arrangements for daily metered consumers.

Bringing forward the date of the tender and a faster notification time gives industrial users more time to go through their internal decision making process, sign the contract and put the appropriate security in place.

The proposal to extend the winter average demand over the past 3 years also gives a more reliable reflection of demand and the ability to submit a forecast of daily demand for the relevant winter period(s) with accompanying rationale provide additional flexibility.

Making class 2 consumers eligible to submit DSR option offers and contract directly with NGT may increase the volume of bids without going through a third party.

The proposals around credit conditions would make it easier for these consumers to offer bids as well.

All in all, these proposals could increase the total DSR offered volume, thereby potentially increasing industrial demand reduction at times of system stress as a means of mitigating the risks associated with a network gas supply emergency.

Governance Statement: *Please provide your views on the self-governance statement or reasons*

why Authority Direction should apply.

The EIUG agrees with the justification for self-governance as argued by the proposer.

Impacts and Costs: *Please provide a view on the impacts and costs you would face.*

The proposals reduce some of the administrative cost with submitting offers and an increase volume of gas DSR offer could reduce the risk of a network gas supply emergency and its associated costs.

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

The EIUG supports the lead-time as set out by the proposer. Adhering to the timetable supplier by the proposer would give large gas users sufficient time to prepare and decided on possible bids.

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

Yes

Panel Questions: *Panel Members have requested that the following questions are addressed.*

Panel identified four aspects which may affect the suitability for self-governance:

Q1. In light of the proposed change in treatment to the bid-stack (BR 4), do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

Yes, since the change does not meet any of the considerations in the Materiality Guidance.

Q2. Given the extension to Class 2 (BR 17), do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

Yes, since the change does not meet any of the considerations in the Materiality Guidance.

Q3. Given the change in credit support (see BR 18), do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

Yes, since the change does not meet any of the considerations in the Materiality Guidance.

Q4. In light of the approach taken to Modification 0852, do you consider that this Modification is suitable for Self-Governance procedures? Can you provide evidence relating to materiality?

Yes

Error or Omissions: Are there any errors or omissions in this Modification Report that you think should be taken into account? *Please include details of any impacts/costs to your organisation that are directly related to this.*

No

Additional analysis: *Please provide below any analysis or information to support your representation.*

-