

Representation – Draft Modification Report UNC 0852

Shipper notification in relation to option exercise for Customer Demand Side Response

Responses invited by: **5pm on 22 February 2024**

To: enquiries@gasgovernance.co.uk

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

Representative:	Mark Jones
Organisation:	SSE Energy Supply Limited
Date of Representation:	22 February 2024
Support or oppose implementation?	Support
Relevant Objective:	d) Positive
Relevant Charging Methodology Objective:	Not Applicable

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

We support this modification as it addresses a gap in the information provision to shippers if they have any consumers that are reducing demand under instructions from National Gas Transmission at a time of a national gas supply shortage. The information may be provided late, or not at all, by the relevant consumers and this may impact trading and nomination decisions taken by shippers.

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

None identified.

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

We would like to see this modification implemented as soon as possible.

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

Yes.

Ofgem Questions: *Ofgem and Panel have requested that the following questions be addressed.*

Q1: If appropriate for your business, please explain what arrangements are already in

place for large consumers to report any emerging issues (such as unplanned shutdowns) to shippers. Following this, please explain what barriers are in place to prevent similar arrangements being used for Demand Side Response communications.

We have regular interactions with large consumers. However, these arrangements may not be appropriate for demand side response communications as consumer communications can be of an ad-hoc type nature for any situations such as unplanned shutdowns, and this change would provide more certainty for key shipper information requirements. Also, a situation such as an unplanned shutdown is very unlikely to coincide with a requirement for consumer demand reductions during a national gas supply shortage when wholesale short term gas prices are likely to be very high.

Q2: The panel have also asked you to please provide your views and reasons on the appropriate governance for this Modification - Self-governance or Authority Direction.

We believe this modification should be self-governance as it relates only to a reporting requirement and has a low material impact.

Q3: Please provide additional evidence in respect of the materiality of this Modification, i.e. Shippers, Suppliers and Customers as to why National Gas Transmission should be required to provide this service over and above normal BAU activities that apply to a Customer's normal contractual interaction with its Supplier and/or Shipper, and from National Gas as to why providing this service may have a material impact on the operations of the Control Room.

We believe the requirement on National Gas Transmission to provide this service is very light compared to the benefit it could bring to shippers. It must also be taken into account that this service would only be provided at times of a national gas supply shortage when the system is under strain and, as a result, the short-term market and imbalance prices for gas are likely to be very high and, potentially, very volatile. In this situation shippers need as much information as possible in order to carry out their key trading activities.

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.*