

# UNC 0866:

## Amendments to Demand Side Response Arrangements



Proposer: Phil Hobbins, NGT

Panel Date: 18 January 2024

# Why change?



- NGT has been working intensively with industry and consumers in recent times to deliver gas DSR reforms which have sought to improve the effectiveness of DSR as a pre-emergency tool
- Key changes have included:
  - Introduction of an 'option and exercise' procurement tender and contractual structure;
  - Enabling consumers to directly contract with NGT for DSR; and
  - Expanding the ability for participation in DSR to all daily metered consumers.
- Whilst market growth has been achieved, the 0.6 mcmd of DSR pre-contracted for this winter is still a relatively low volume
- During NGT's engagement with consumers and their associations in 2023, a number of enhancements to existing arrangements were suggested, which, in addition to NGT's own ideas, could help to increase the volumes of DSR offered

# Options considered that are not being progressed at this stage



## Multi-gas day DSR product

- No strong call for this product by consumers
- Can already be priced in to an option offer
- NGT could add an extra field to the tender proforma

## A 'next 24 hours' DSR product

- Half of consumers polled show some interest
- May extend DSR exercise period beyond when NGT requires it

## Consumer DSR 'exercise only' scheme

- Relatively low level of consumer interest

# Solution



- Modify the UNC to:
  - Amend the timings and content of the DSR Options procurement tender process
  - Change how the process of exercise of a DSR Option works, including how the 'starting point' for demand reduction is determined
  - Enable Class 2 Consumers to contract directly with NGT for DSR Options
  - Amend the credit rules for Consumer DSR
  - Amend liabilities for failure to deliver when a DSR Option is exercised

# Recommended Steps



- The Proposer recommends that this modification should:
  - be considered a non-material change and subject to Self-Governance.
  - be assessed by a Workgroup.

NGT proposes that Workgroup reports back to the April 2024 Panel to enable reforms to take effect within the 2024 DSR Options Tender