

# UNC 0845:

## Enhancements to Demand Side Response Arrangements, including a D-5 Product



Proposer: Phil Hobbins, NGT

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# Why change?



- Some industrial consumers have highlighted barriers to participation in DSR
  - 2m therms pa AQ requirement is too high
  - Unable to reduce demand in prompt timescales
  - Risk of having to reduce their demand to zero
  - Risk of uncapped exercise frequency
- The timescales within which a User holding a DSR option needs to post an offer on the OCM require refinement

# Options



- UNC Request 0835R was raised by NGT in February 2023 to consider further DSR workstreams and their relative prioritisation
- From discussions in this Workgroup, and separately with consumers, NGT believes that a Modification to introduce a longer lead-time product and other process enhancements should be progressed, targeting implementation for Winter 2023/24

# Solution



Modify the DSR arrangements in 6 ways:

1. Enable Users to offer DSR on behalf of Class 2 consumers
2. Amend the determination of the demand reduction quantity
3. Enable Users to specify a maximum frequency of exercise
4. Amend the timescales within which Users holding DSR options are required to post OCM offers
5. Enable Users to bid for more than one DSR product on behalf of the same consumer
6. Introduce a D-5 DSR product

# Recommended Steps



- The Proposer recommends that this modification should be:
  - Not subject to Self-Governance because it is likely to have a material effect on new or existing gas consumers and matters relating to security of supply
    - A new class of consumer would become eligible to participate in DSR
    - The reforms are designed to strengthen gas DSR as a pre-emergency tool and thereby mitigate the risk of a Gas Deficient Emergency
  - Subject to Workgroup assessment to develop the modification for 2 months