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Dear Julian

0061: Facilitating further demand-side response in the event that a Gas Balancing Alert is triggered

Thank you for providing SGN with the opportunity to comment on the above proposal. I can confirm that SGN gives it qualified support to this Modification Proposal.

SGN is generally supportive of initiatives which seek to provide the market with accurate and timely information. We believe this should help ensure the market is better placed to respond in the most appropriate and efficient manner. Detailed comments on proposals to introduce a Gas Balancing Alert were detailed in our response to 0062 so have not been repeated in this response. SGN is also supportive of initiatives, which seek to encourage greater demand side response. We note that this proposal seeks to facilitate this by opening up options to allow balancing actions

to be taken for multiple days through the OTC. Whilst there is no information available on the extent to which additional response may be made available, in principle this seems appropriate.

SGN is not entirely clear why the option to facilities multiple day trades specifically excludes OCM participants. We understand that currently multiple day trading is not possible on the OCM. It would appear that whilst this could be resolved for next winter it is not possible to achieve in time for this winter. If this is the case, SGN wonders whether there would be merit in extending the multiple day trading option to OCM participants through the OTC. Perhaps further consideration should be given to this option if it was considered that additional response could be offered in this way that might further help facilitate the economic and efficient operation of the system and potentially help alleviate a NGSE.

We note that National Grid NTS has indicated that they will conduct a full review of the balancing role in the fullness of time. We would urge that this be initiated as soon as possible to provide sufficient time for full consideration of the issues and alternatives and avoid the need for a series of urgent modification proposals next winter. Early consideration should also provide sufficient time to consider and consult on wider implications e.g. to Safety Cases.

We hope that these comments are helpful.

Yours sincerely

Beverley Grubb
Commercial Manager
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