

UNC Workgroup Interim Report	At what stage is this document in the process?
<h1 data-bbox="134 322 655 416">UNC 0856:</h1> <h2 data-bbox="134 450 1102 663">Introduction of Trials for Non-Daily Metered (NDM) Demand Side Response (DSR)</h2>	<div data-bbox="1209 309 1469 622"> <p>01 Modification</p> <p>02 Workgroup Report</p> <p>03 Draft Modification Report</p> <p>04 Final Modification Report</p> </div>
<p>Purpose of Modification:</p> <p>Create a framework to enable National Gas Transmission (NGT) to run time-limited trials for NDM DSR with the aim of gathering data, contributing towards our longer term thinking, allow risks to be better understood and may increase the pre-emergency tools available.</p>	
<p>Next Steps:</p> <p>This interim Workgroup Report will be presented to the Panel on 19 October 2023.</p> <p>The Workgroup recommends that this Modification should:</p> <ul style="list-style-type: none"> • be considered a material change and not subject to Self-Governance • remain with the Workgroup for further consideration and report to November Panel <p>The Workgroup anticipates presentation of a final Workgroup Report to the November meeting of the Panel.</p>	
<p>Workgroups Initial Assessment:</p> <p>The Workgroup considered an initial proposal on 5th October (within the Transmission Workgroup meeting). Panel questions were noted and a number of comments were made, primarily expressing concern that the proposal for trials of System Management Services appeared to bypass existing governance mechanisms and instead propose a lighter-touch route for NGT to secure permission and funding for trials. Workgroup Participants also expressed concern that as framed the Proposal appeared to be a 'blank cheque' for costs.</p> <p>The Proposer (NGT) agreed to amend the proposal and to develop draft legal text and an outline for the specification document that would be required prior to launching any trial.</p> <p>An Amended Modification Proposal and supporting documents were published on 12 October. The Workgroup examined the Amended Modification, Draft Specification and draft legal text on 16th October.</p> <p>Workgroup Participants agreed that the amendments made to the Proposal had narrowed the scope to largely mitigate the 'blank cheque' concerns previously expressed. Workgroup Participants noted that NGT would be obliged consult on the specification for any trial and to seek direction from Ofgem before commencing. Workgroup Participants suggested some</p>	

additional criteria that should be detailed in a specification such as the impact on consumers, mitigation of any adverse risks to consumers and impact on wider energy systems.

Workgroup Participants also identified a need to amend the proposed governance/approval clauses to avoid creating an unacceptable obligation upon Ofgem.

NGT agreed to review and amend the Proposal in light of the comments made and to publish revised proposals prior to the next scheduled Workgroup meeting. Workgroup Participants were informed that an interim report has been requested by Panel. Workgroup Participants also noted that the Proposal is due to be considered again on 2 November and that a further contingency workgroup date has been set aside for 6 November.

Panel Questions for Workgroup

Panel Question 1 - NGT outlined, and Workgroup Participants agreed that this Proposal would not sit within the scope of the Derogation mechanism because it seeks to introduce a new facility into the Code rather than suspend an existing obligation.

Panel Question 2 – Workgroup Participants identified that the criteria for assessing the success of a trial should include identifying whether a particular intervention results in demand reduction or demand transfer. Workgroup Participants agreed that this is a matter for inclusion in the Specification document rather than in the Modification itself although the Modification could set out some generic criteria which each Specification should include. NGT agreed to consider inserting items such as impact on other energy systems and impact on consumer welfare.

Panel Question 3 – Workgroup Participants agreed that the proposed timetable for development of the Proposal may be achieved (final Workgroup Report for November Panel) with a caveat that whilst the Proposal is a Facilitating Modification, the most important detail will need to be set out in the Specification of the trial and the terms and conditions of contract for any Service Providers engaged for the trial. Workgroup Participants declared a preference for early sight of these documents to assist with their engagement.

Section	Status
Solution	In Development
Impacts & Other Considerations	In Development
Relevant Objectives	In Development
Implementation	In Development
Legal Text	In Development
Recommendations	Awaiting Development