

Modification 0856 – outline of legal text for inclusion in TPD Section D as new paragraph 8

1. NGT may conduct NDM Supply Point DSR Trials subject to and in accordance with the below.
2. A NDM Supply Point DSR Trial is a trial of a new or modified demand side response for NDM Supply Points (the **NDM DSR Trial**).
3. If NGT proposes to conduct a NDM DSR Trial, NGT must send to the Authority and publish a proposal (**NDM DSR Trial Proposal**) on its website setting out:
 - (a) a specification (**NDM DSR Trial Specification**) of the NDM DSR Trial, including:
 - (i) the actions to be taken by a [Shipper] User, Supplier or consumer [or agent of a consumer] (**Service Provider**) by way of performance of the NDM DSR Trial;
 - (ii) eligibility (of a Service Provider and/or any System Point, Supply Meter or Supply Point Premises) for provision of the NDM DSR Trial;
 - (iii) the conditions or circumstances in which NGT would call on those actions;
 - (iv) the basis on which amounts payable between NGT and a Service Provider in respect of the NDM DSR Trial are to be determined and paid;
 - (v) an outline of the terms of the contract for the NDM DSR Trial to be entered into between NGT and a Service Provider;
 - (b) the start date and duration of the NDM DSR Trial;
 - (c) the purpose and benefit of conducting the NDM DSR Trial, and the criteria by which the success or otherwise of the trial will be assessed;
 - (d) the basis for selecting participation in the NDM DSR Trial and the extent to which it is competitive;
 - (e) a commentary on the scale of the NDM DSR Trial (recognising that the scale should be proportionate having regard to the purpose, cost and other impact of the trial);
 - (f) the maximum amount of costs of conducting a NDM DSR Trial, both net neutrality costs as provided in 5(a) and NGT's own costs which are not covered by Balancing Neutrality Charges;
 - (g) an assessment of the impact (if any) of conducting the NDM DSR Trial on the operations of NGT, DNOs and Shipper Users under the Code.
4. The NDM DSR Trial Specification will be subject to a 28 day public consultation period unless otherwise agreed with the Authority. Within 14 days of completion of the consultation period, NGT shall publish a consultation report on its website summarising the representations which have been received and shall notify the Authority of its publication. If requested by the Authority, NGT shall also provide copies of the consultation representations to the Authority.
5. If within 28 days after publishing the proposal Ofgem directs NGT:
 - (a) to proceed, NGT may proceed with the NDM DSR Trial;

- (b) not to proceed without modifying the NDM DSR Trial Specification NGT may in such circumstances only proceed with the NDM DSR Trial if it so modifies the NDM DSR Trial Specification; or
 - (c) not to proceed, NGT may not proceed with the NDM DSR Trial;

- 6. Amounts (determined as provided in the NDM DSR Trial Specification) payable to or by a Service Provider in respect of the NDM DSR SMS:
 - (a) are additional Monthly Adjustment Neutrality Costs or additional Monthly Adjustment Neutrality Revenues. The NDM DSR Trial Specification will specify the month in which they are counted;
 - (b) are not counted in calculating SMBP, SMSP or SAP. This is without prejudice to what a later modification proposal may provide.

- 7. A NDM DSR Trial may not continue for more than 12 months.

- 8. Within 2 months after the end of a NDM DSR Trial, NGT must publish a report:
 - (a) setting out:
 - (i) the results of the NDM DSR Trial by reference to the NDM DSR Trial Proposal;
 - (ii) the net costs in neutrality of the NDM DSR Trial;
 - (b) stating whether NGT intends to raise a modification proposal to introduce a new System Management Service related to a non-daily metered demand side response product.

- 9. It is acknowledged that any Party participating in a NDM DSR Trial shall not be considered in breach of any provisions of the Code through or in connection with such participation.