








UNC Workgroup Report	At what stage is this document in the process?
<p>UNC 0852S:</p> <p>Shipper notification in relation to option exercise for Customer Demand Side Response</p>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid green; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> 01 Modification </div> <div style="border: 1px solid blue; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> 02 Workgroup Report </div> <div style="border: 1px solid purple; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> 03 Draft Modification Report </div> <div style="border: 1px solid orange; border-radius: 5px; padding: 2px; display: flex; align-items: center; gap: 5px;"> 04 Final Modification Report </div> </div>
<p>Purpose of Modification:</p> <p>To require National Gas to notify the relevant Shipper in the event that a Customer Demand Side Response option is exercised.</p>	
<p>Next Steps:</p> <p>The Workgroup recommends that this Modification should [not] be subject to Self-Governance</p> <p>The Workgroup asks Panel to agree that this [Self-Governance] Modification should proceed to consultation.</p> <p>The Workgroup asks Panel to agree that this [Self-Governance] Modification requires further assessment and should be returned to Workgroup.</p> <p>The Panel will consider this Workgroup Report on dd month 2023. The Panel will consider the recommendations and determine the appropriate next steps.</p>	
<p>Impacted Parties:</p> <p>High: Shippers and Suppliers and National Gas Transmission</p> <p>Low:</p> <p>None:</p>	
<p>Impacted Codes:</p>	

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Timetable			
Modification timetable:			
Pre-Modification discussion	06 July 2023		
Date Modification Raised	07 July 2023		
New Modification to be considered by Modification Panel	17 August 2023		
First Workgroup Meeting	07 September 2023		
Workgroup Report to be presented to Modification Panel	14 December 2023		
Draft Modification Report issued for Consultation	15 December 2023		
Consultation Close-out for representations	09 January 2023		
Final Modification Report available for Modification Panel	10 January 2023		
Modification Panel decision	18 January 2023		

1 Summary

What

1. As part of the development of [Modification 0844: Enabling Direct Contractual Arrangements with Consumers for Demand Side Response](#), discussions took place in relation to a request for Shippers to be notified when direct Customer Demand Side Response options were exercised.
2. It is expected that the number of Demand Side Response contracts will remain low with the Central Data Service Provider Rough Order of Magnitude assessment based on 30 customers.

This ROM is based on a maximum of 30 consumers each month. If the number of requests exceeds this value then an assessment will be carried out to review the additional efforts.

Why

3. Both the Shipper and Customer representatives in the Modification 0844 Workgroup felt that requiring National Gas to contact Shippers when Consumer Direct Demand Side Response was triggered would be prudent.
4. It was noted that the resourcing more broadly in the event of an incident was agile and thus suitable resources could be brought in to meet the relevant requirements.
5. National Gas did affirm in the legal text that they will notify the relevant DN Operator (text below from TPD Section D)

8.7.6 Where National Gas Transmission exercises a DSR Option, if the Supply Meter Point is a LDZ Supply Meter Point it will notify the relevant DN Operator of the exercise.

6. National Grid were, despite requests to, unwilling to provide a similar service to Shippers

7.9.6 Where National Gas Transmission exercises a Consumer DSR Option it will not inform the Registered User of the Supply Meter Point of the exercise;

How

7. We propose to introduce a requirement on National Gas to notify the relevant Shipper (suggested text is below)

7.9.6 Where National Gas Transmission exercises a Consumer DSR Option it will inform the Registered User of the Supply Meter Point of the exercise.

2 Governance

Justification for Self-Governance

This change is immaterial as it relates to a small change relating to a very limited number of circumstances

Requested Next Steps

This Modification should:

- be considered a non-material change and be subject to Self-Governance.
- be assessed by a Workgroup.

Workgroup's Assessment

An initial Representation submitted by National Gas Transmission argued there is potential for the number of consumers holding DSR Options to grow and therefore for a corresponding increase in the number of notifications that NGT would have to provide to shippers if Mod 0852 were to be implemented. This could compromise NGT's ability to manage a national gas supply shortage effectively and efficiently, detrimentally impacting GB gas security. NGT therefore consider that this Modification could have a material effect and thus should be re-classified as Authority Direction.

An Ofgem representative noted that under normal operation the effectiveness of the control rooms should be maintained and Ofgem will consider during the Workgroup development stage whether this Modification meets the Self-Governance criteria, and in particular how the Proposal might affect control room operations if there is a significant uptake of DSR.

Workgroup Participants noted that Ofgem can 'call-in' a Self-Governance Modification for Authority Direction

Insert subheading here (if required)

Insert text here.

3 Why Change?

1. As part of the development of Modification 0844: Enabling Direct Contractual Arrangements with Consumers for Demand Side Response discussions took place in relation to a request for Shippers to be notified when Customer Demand Side Response options were exercised.
2. It is expected that the number of Demand Side Response contracts will remain low with the Central Data Service Provider Rough Order of Magnitude assessment based on 30 customers.

This ROM is based on a maximum of 30 consumers each month. If the number of requests exceeds this value then an assessment will be carried out to review the additional efforts.

3. Both Shipper and Customer representatives in the Modification 0844 Workgroup felt that requiring National Gas to contact Shippers when Consumer Direct Demand Side Response was triggered would be beneficial.
4. It was noted that the resourcing more broadly in the event of an incident was agile and thus suitable resources could be brought in to meet the relevant requirements.
5. National Gas did affirm in the legal text that they will notify the relevant DN Operator (text below from TPD Section D)

8.7.6 Where National Gas Transmission exercises a DSR Option, if the Supply Meter Point is a LDZ Supply Meter Point it will notify the relevant DN Operator of the exercise.

6. National Grid were, despite requests to, unwilling to provide a similar service to Shippers

7.9.6 Where National Gas Transmission exercises a Consumer DSR Option it will not inform the Registered User of the Supply Meter Point of the exercise;

7. We propose to introduce a requirement on National Gas to notify the relevant Shipper (suggested text is below)

7.9.6 Where National Gas Transmission exercises a Consumer DSR Option it **will** inform the Registered User of the Supply Meter Point of the exercise.

4 Code-Specific Matters

Reference Documents

TRANSPORTATION PRINCIPAL DOCUMENT SECTION D – OPERATIONAL BALANCING AND TRADING ARRANGEMENTS

Knowledge/Skills

An awareness of the current DSR rules in UNC and where they feature in the emergency arrangements would be helpful. In the UNC, these are contained in TPD section D5. Awareness of operations and contractual relationships between Shippers and Consumers.

5 Solution

The Business Rules (BR) are set out below:

BR1. Introduce a requirement on National Gas to notify the relevant Shipper (Registered User of the Supply Meter Point) when exercising a Consumer DSR Option.

Note: Suggested legal text:

TPD Section D

7.9.6 Where National Gas Transmission exercises a Consumer DSR Option it **will** inform the Registered User of the Supply Meter Point of the exercise.

6 Impacts & Other Considerations

Does this Modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

Consumer Impacts

What is the current consumer experience and what would the new consumer experience be?

The outcome should be an additional level of notification that was requested by both the Shipper and Customer representatives at Workgroup 0844 - Enabling Direct Contractual Arrangements with Consumers for Demand Side Response.

Impact of the change on Consumer Benefit Areas:	
Area	Identified impact
Improved safety and reliability	None
Lower bills than would otherwise be the case	None
Reduced environmental damage	None
Improved quality of service	None
Benefits for society as a whole	None

Cross-Code Impacts

TBD

EU Code Impacts

None

Central Systems Impacts

None identified

Rough Order of Magnitude (ROM) Assessment *(Cost estimate from CDSP)*

Cost estimate from CDSP where the Modification relates to a change to a CDSP Service Document

Insert text here.

OR

Rough Order of Magnitude (ROM) Assessment <i>(Workgroup assessment of costs & lead times)</i>	
Cost estimate from CDSP	Insert text here
Insert Subheading here	Insert text here

Performance Assurance Considerations

The Workgroup must consider any areas which PAC will need to monitor as a result of implementation if this Modification

Insert text here. No implications identified ? What if Shippers fail to renominate? Is there any mitigation that favours implementation?

Initial Representations

An initial representation was submitted by National Gas Transmission and considered at the October Workgroup meeting. Workgroup Participants were reminded that the issue of whether NGT should be obliged to notify the shipper upon DSR exercise directly with a consumer was a point on which NGT and Shippers were unable to

agree during the development of Modification 0844 'Enabling Direct Contractual Arrangements with Consumers for Demand Side Response'. This point was characterised as a 'Marmite' issue.

On a point of principle NGT argued that it does not wish to step any further into the shipper role as Modification 0852 proposes. NGT believes if DSR is called the consumer should inform the Shipper as part of the 'business as usual' practice. Exercise of a DSR option is one of many factors that could cause a consumer's planned rate of offtake on a given day to change from what was previously expected, for which NGT assume there must be communication arrangements in place already between site and Shipper to enable the Shipper to submit accurate transportation nominations and manage its scheduling and imbalance risk.

On a practical point NGT argued that as DSR could be called 24/7, notification by NGT to the Shipper would need to be a control room activity. NGT expressed concern that an additional administrative requirement to phone and/or email the registered Shipper(s) at a time of high intensity control room activity would detract from the GNCC's ability to discharge its primary role in that circumstance of managing the supply shortage and maintaining efficient system operation.

Workgroup Participants noted these points but could not align with the NGT position.

Panel Questions

- **Identify potential operational impacts on control rooms should communications be required for Shippers at times when the operators are attempting to avoid an incident escalating.**

A response to this question formed the substance of the initial representation submitted by NGT (see above and appended).

The NGT representative argued that instant access to an administration support function may be more complicated than initially perceived as resources are not always freely available.

A Workgroup Participant challenged the NGT position and argued that early indications are that there would be relatively few sites taking up the DSR service and therefore the potential burden upon the control room should not be great. The NGT response is that the number of DSR participants may well increase and that is the intended purpose of the changes made under Modification 0844 so the control room operations might be compromised in future.

Workgroup Participants discussed the difference between GDN and Shipper notifications noting that NGT is committed to notify GDNs if DSR is exercised. Workgroup Participants acknowledged that there are existing arrangements in place for notifications between control rooms because GDNs do not have a contractual relationship with the site operator or shipper that would provide the necessary information for GDNs to properly manage operations in their networks if load is shed under DSR, e.g. it was clarified that the GDNs need to know which sites have ceased offtake if the situation progresses into a gas demand emergency and they are seeking to minimise offtakes from the NTS.

Workgroup Participants debated whether the NGT control room may be able to call upon additional administrative staff to perform the Shipper notifications (if this Proposal is approved). A Workgroup Participant suggested that NGT could investigate the use of a systemised solution and that other forms of communication could be utilised.

Workgroup Participants could not reach unanimous agreement on the materiality of this issue.

Workgroup Impact Assessment *(Joint Office to complete)*

Insert text here.

ADDITIONAL SECTION TO BE CONSIDERED

Reference Documents

Workgroup to consider if changes will be required to any Code Related Documents or Guidance Documents and whether such proposed modifications shall be submitted to the Uniform Network Code Committee and considered by the Uniform Network Committee or any relevant sub-committee where the Uniform Network Code Committee so decide by majority vote in accordance with the requirements set out in paragraph 12 of Section V of the UNC Transportation Principal Document

Insert text here.

7 Relevant Objectives

Impact of the Modification on the Transporters' Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	None
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

d) The inclusion of notification to Shippers in the event that Consumers direct Demand Side Response is triggered will provide an additional level of security for Shippers and Consumers. This is particularly relevant as direct contracting between National Gas and Consumers is atypical.

Workgroup Assessment of Relevant Objectives

The Workgroup must provide an assessment of how the Relevant Objectives are furthered and respond to what the proposer has provided

A Workgroup Participant noted that the Proposer considers Mod 0852 to be positive for (d) securing effective competition, yet the rationale is concerned with additional security for shippers rather than competition benefits.

Insert subheading here (if required)

Insert text here

8 Implementation

ASAP

9 Legal Text

Text Commentary

Proposers Suggested Legal Text

TPD Section D

7.9.6 Where National Gas Transmission exercises a Consumer DSR Option it will inform the Registered User of the Supply Meter Point of the exercise.

Insert where provided and not superseded by Transporters Text.

Legal text will be drawn up by the relevant Transporter at a time when the modification is sufficiently developed

Legal Text has been provided by [name] and is [included below/published alongside this report].

Workgroup Assessment

Workgroup's Assessment of the proposed changes and how these meet the intent of the Solution.

The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

10 Recommendations

Proposer's Recommendation to Panel

The Panel is asked to:

- Agree that Self-Governance should apply.
- Refer this proposal to a Workgroup for a short assessment.

11 Appended Representations

Append any initial representations.

Initial Representation – National Gas Transmission