

**UNC Workgroup 0845 Minutes  
Enhancements to Demand Side Response (DSR) Arrangements  
including a D-5 Product  
Thursday 01 June 2023  
via Microsoft Teams**

<b>Attendees</b>		
Eric Fowler (Chair)	(EF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Adam Bates	(AB)	SEFE Energy
Alex Nield	(AN)	Storengy
Anna Shrigley	(AS)	ENI
Antony Miller	(AM)	SouthHook Gas
Archie Stoker	(ASt)	Engie
Benjamin Cull	(BC)	Department for Energy Security and Net Zero
Bethan Winter	(BW)	Wales & West Utilities
Chris Wright	(CW)	Exxon Mobil
Christiane Sykes	(CS)	Shell
Davide Rubini	(DR)	Vitol
Eddie Proffitt	(EP)	Major Energy Users Council
Ellie Rogers	(ER)	Xoserve
Emma Robinson	(ER)	EON Energy
Hannah Reddy	(HR)	Xoserve
James Lomax	(JL)	Cornwall Insight
Joseph Leggett	(JLe)	Interconnector
Julie Cox	(JCs)	Energy UK
Kathryn Adeseye	(KA)	Xoserve
Marion Joste	(MJ)	ENI
Mariachiara Zennaro	(MZ)	Centrica
Matthew Newman	(MN)	National Gas Transmission
Mathew Chandy	(MC)	Ofgem
Nick Wye	(NW)	Waters Wye Associates
Phil Hobbins (Proposer)	(PH)	National Gas Transmission
Phil Lucas	(PL)	National Gas Transmission
Richard Fairholme	(RF)	Uniper
Sallyann Blackett	(SA)	EON Energy
Steve Mulinganie	(SM)	SEFE Energy
<p><i>This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.</i></p> <p><i>The Workgroup Report is due to be presented at the UNC Modification Panel by 15 June 2023.</i></p> <p><i>Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <a href="https://www.gasgovernance.co.uk/0845/010623">https://www.gasgovernance.co.uk/0845/010623</a></i></p>		

## 1.0 Introduction and Status Review

### 1.1. Approval of Minutes (16 May 2023)

Approved

### 1.2. Approval of Late Papers

None to approve.

### 1.3. Review of Outstanding Actions

**0501:** NGT (PH) to explore if there are any potential credit balancing concerns or impacts to the Energy Balancing Credit Risk process rules and controls for Modification 0844 and 0845.

**This action was repeated from Workgroup 0844 and is included here for completeness as the two Modifications were considered in parallel**

**Update:** Phil Hobbins (PH) referred to the material provided for the EBCC Summary of discussions and the National Gas Transmission (NGT) response, both of which have been included in the Workgroup Report and noted the following:

Where NGT is contracting directly with end-Consumers for Demand Side Response (DSR), if the Consumer fails to respond, they will become liable for repayment of the Option Fee, which is scaled based on the number of days of successful compliance. This could result in the Consumer owing money to Neutrality.

PH explained consideration of to what extent should that potential liability be secured ahead of time, and, whereas it is unlikely to get to this position, and recognising the concerns of EBCC members, it is accepted the risk is small and NGT are keen to balance the risk against putting undue barriers in the process.

PH clarified NGT propose to implement a Credit Check as part of the assessment process. This will give NGT a sum of which is the recommended contractual limit that should be entered into, in the event that the potential liability could exceed the value, NGT can ask the consumer for security to cover the shortfall.

PH advised the preference is this is in the contract rather than UNC. Operating on the basis of standard conditions within the contract and would be transparent.

Steve Mulinganie (SM), as an EBCC member, thanked PH for taking on board the concerns of the EBCC and offering a suitable way forward.

**Action closed**

## 2.0 Modification Assessment

The Proposer, Phil Hobbins (PH) provided the Draft Amended Modification, which had been updated to align with the discussions and pre-advised changes presented on 04 May 2023, to enhance the current Demand Side Response (DSR) Arrangements including a D-5 Product to deliver greater optionality for Users and consumers and provided the Workgroup with a review of the amendments he is intending to make to the Modification, which, once submitted for processing, will make the Modification v3.0.

Please refer to the published draft Amended Modification Version 3.0 published at: <https://www.gasgovernance.co.uk/0845/010623>.

The Workgroup raised no concerns with the changes outlined.

**Consolidated Legal Text**

PH provided a detailed walkthrough of the Legal Text changes which were shown in mark-up. The key changes were to the following sections of the Transportation Principal Document:

- Section D – Operational Balancing and Trading Arrangements
- Section F – System Clearing, Balancing Changes and Neutrality

PH provided an explanation of the proposed Legal Text which was provided in a consolidated format to incorporate updates for both Modification 0844 and 0845. PH explained the approach was to redraft *Modification 0822 - (Urgent) - Reform of Gas Demand Side Response Arrangements* section of Legal text, retain the relevant Code and add in new text consistent with Modifications 0844 and 0845.

Please refer to the published consolidated Legal Text published at: <https://www.gasgovernance.co.uk/0845/010623>.

The Workgroup discussions relating to the consolidated Legal Text are summarised as follows:

- PH noted clause 7.7.6 specifically outlines that National Gas Transmission will notify the relevant DN Operator where a DSR Option is exercised for a Supply Meter Point that is an LDZ Supply Meter Point.
- SM noted, clause 7.9.2 relates to a Consumer who is not a party to UNC and that the obligation is on the Shipper to make sure the customer has arrangements. When PH clarified this is making clear the expectation of the Consumer, it was suggested a Guidance Document that clarifies the process should accompany the Legal Text. PH confirmed he will discuss this with the lawyers. SM added that SEFE Energy is supportive of the Modification, but the Legal Text implies an obligation on Shippers on a contract that they are not a party to.
- Workgroup discussed the relevance of including a consumer DSR contract within the Legal Text as consumers are not a party to the UNC.
- It was recognised that a small amendment is necessary to 7.9.4 to ensure this relates to a Consumer DSR Option.
- PH clarified that he would build into the contract that there should be no obstruction in terms of confidentiality from obtaining information needed to ensure a Shipper can discharge its obligations.
- SM asked if it is a possible scenario where a Customer bids into the process themselves and also bids through a Shipper, what would NGT do in those circumstances? PH confirmed this is covered in the text, NGT will accept either one or neither.

### **3.0 Development of Workgroup Report**

In the interest of time, and as an extraordinary meeting is planned for Monday 06 June 2023, it was agreed that completion of the Workgroup Report will be concluded on Monday 06 June 2023 when the final review of the Legal Text is complete.

### **4.0 Next Steps**

Expected next steps:

- Formal submission of Amended Modification which will be v3.0.
- Submission of final Legal Text
- Workgroup Report submission to UNC Modification Panel on 15 June 2023.

### **5.0 Any Other Business**

None.

## 6.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/events-calendar/month](http://www.gasgovernance.co.uk/events-calendar/month)

The final Workgroup meeting will take place as follows:

Time / Date	Paper Publication Deadline	Venue	Programme
10:00 Monday 05 June 2023	n/a	Microsoft Teams	<ul style="list-style-type: none"> <li>• Modification Assessment</li> <li>• Consideration of Legal Text</li> <li>• Completion of Workgroup Report</li> </ul>

0845 Action Table						
Action Ref	Meeting Date	Minute Ref	Action	Reporting Month	Owner	Status Update
0501	04/05/23	1.0	NGT (PH) to explore if there are any potential credit balancing concerns or impacts to the Energy Balancing Credit Risk process rules and controls for Modification 0844 and 0845	June 2023	National Gas (PH)	<b>Closed</b>