

Consultation

Consultation on National Gas Transmission's Demand Side Response Licence Condition

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Contact:	Mathew Chandy
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Team:	Energy Security of Supply & Gas Markets
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Telephone:	020 7901 7000
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Email:	energy.securityofsupply@ofgem.gov.uk
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We¹ are consulting on proposed changes to National Gas Transmission's (NGT) Gas Transporter Licence. We intend to update what is currently written in the licence regarding gas Demand Side Response (DSR) arrangements, whilst also future-proofing the licence for future DSR process changes. We welcome views from stakeholders across the industry.

This document outlines the scope, purpose and questions of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response and explain why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA

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Contents

1. Introduction.....	4
Policy background.....	4
What are we consulting on?	6
How to respond	7
Your response, data and confidentiality.....	7
How to track the progress of the consultation	8
2. Proposed changes to licence	10
Parts to be removed.....	10
Parts to be amended	12
Other areas of note.....	14
3. Conclusion and next steps	15
Appendix 1 - Draft DSR licence condition text	16
Appendix 2 - Privacy notice on consultations	21

Introduction

Section summary

National Gas Transmission (NGT) currently has a licence obligation under its Gas Transporter Licence to manage the Demand Side Response (DSR) scheme. DSR aims to prevent the emergence of a gas supply emergency by encouraging large gas consumers to reduce consumption in return for compensation. Since its establishment in 2016, various DSR reforms have been implemented to enhance security of supply in Great Britain (GB), which have required derogations from the licence conditions. Consequently, NGT’s current DSR licence condition is now inconsistent with the DSR arrangements in the Uniform Network Code (UNC). This proposed licence modification intends to bring the relevant licence conditions in line with recent reforms, whilst ensuring that future DSR reforms can be implemented in a more efficient manner.

Policy background

- 1.1 Gas DSR is a voluntary demand reduction scheme which is intended to reduce the likelihood, severity and duration of a gas supply emergency (if one occurs). This is done by providing a route for large, Daily Metered (DM) consumers to receive greater financial compensation by voluntarily curtailing their demand, than if they were involuntarily curtailed during an emergency. DSR is triggered when a Gas Balancing Notification is issued, though this has been updated to also include other triggers.
- 1.2 DSR is managed by NGT. It was set up in 2016 and the DSR Market was opened once in 2018 during the “Beast from the East” storm, which was the last time the National Transmission System (NTS) faced significant system stress that could have led to a Gas Deficit Emergency (GDE).
- 1.3 Despite the DSR Market opening in 2018, no DSR Market Offers were made available to NGT. After conducting stakeholder engagement, NGT reformed the DSR Methodology to increase participation in the scheme.² These changes were formalised as part of UNC0822 “Reform of Gas Demand Side Response Arrangements – Decision”³ (hereafter UNC822), which enabled NGT to issue an Invitation to Offer tender process to all shippers whose annual quantity is greater

² DSR Methodology: <https://www.nationalgas.com/documents/144051-gas-dsr-methodology-v70>

³ UNC822 Decision Letter: <https://www.ofgem.gov.uk/publications/unc822-reform-gas-demand-side-response-arrangements-decision>

than 2 million therms. In this process, shippers would commit to submitting a DSR offer (known as a DSR Options Offer) in return for an options payment that is funded by balancing neutrality.⁴

- 1.4 The trigger for DSR was updated to also include a Margins Notice, allowing consumers to curtail their gas flow at the day ahead stage. This was implemented by means of a licence derogation for Special Condition 9.22.3(c) that still applies.⁵
- 1.5 It is worth noting that shippers can still post DSR offers outside of this tender process as was done before UNC822, with these offers termed as a “DSR Market Offer”.⁶ Ofgem and other industry stakeholders suggested that further DSR improvements should be explored for future Winter Periods to maintain GB security of supply.
- 1.6 As part of further DSR improvements, Ofgem approved UNC0844 “Enabling Direct Contractual Arrangements with Consumers for Demand Side Response”⁷ (hereafter UNC844) and UNC0845 “Enhancements to Demand Side Response (DSR) Arrangements including a D-5 Product” (hereafter UNC845).⁸ UNC844 introduced direct contracting arrangements between class 1 gas consumers and NGT.⁹ UNC845 introduced a D-5 product, allowing consumers to post DSR offers five days ahead. It also expanded participation to class 2 gas consumers¹⁰ and implemented several process enhancements.
- 1.7 These UNC modifications required licence derogations and concurrent changes to the DSR Methodology. The DSR Methodology was amended to align it with both UNC modifications, whilst also increasing the threshold for aggregate DSR Options payments from £5m to £36m. It also enabled NGT to reject offers that could

⁴ Balancing neutrality is the mechanism which ensures that NGT does not gain or lose money when it carries out its role as the system residual balancer, or through settling shippers’ imbalance charges.

⁵ Decision on the proposed modifications to the Demand Side Response Methodology of National Grid Gas plc’s (NGG) Gas Transporter Licence and Decision further to NGG’s request for Derogation from Special Condition 9.22.3(c) of its Gas Transporter Licence: <https://www.ofgem.gov.uk/publications/decision-proposed-modifications-demand-side-response-methodology-national-grid-gas-plcs-ngg-gas-transporter-licence-and-decision-further-nggs-request-derogation-special-condition-9223c-its-gas-transporter-licence>

⁶ The definition for DSR Market Offer can be found in the UNC TPD Section D 5.1.1(b): <https://www.gasgovernance.co.uk/sites/default/files/ggf/page/2023-12/Transportation%20Principle%20Document%20%28Consolidated%2C%20printable%20version%29%20-%2019%20December%202023.pdf>

⁷ UNC844 Decision Letter: <https://www.ofgem.gov.uk/sites/default/files/2023-08/UNC%20844%20Decision%20Letter.pdf>

⁸ UNC845 Decision Letter: <https://www.ofgem.gov.uk/sites/default/files/2023-08/UNC845%20Decision%20Letter.pdf>

⁹ The definition for Class 1 consumers can be found in the UNC TPD Section G, 2.1.3.

¹⁰ A Class 2 consumer is defined as one where the Class 1 Requirement does not apply and whereby the Registered User has elected that it should be in such Class.

impact whole system energy security. The licence derogations pertain to Special Condition 9.22.3 (a),(c) and (d), again to align the licence to these recent changes.¹¹

What are we consulting on?

- 1.8 At present, NGT’s DSR licence condition reflects the pre-UNC822 drafting and interpretation of DSR. This has meant the licence is currently inconsistent with what is now established in the UNC and the DSR Methodology. As a result, any DSR reforms required derogations from certain licence conditions.
- 1.9 This has also raised questions about how this licence condition can be future-proofed to ensure any future DSR reform can be undertaken through the UNC and DSR Methodology governance processes and guidance.
- 1.10 We are therefore consulting with industry stakeholders on what the DSR licence condition should be going forward to ensure alignment with recent reforms. We welcome suggestions on how the licence condition can enable future reforms to be implemented in a more efficient and sustainable manner.
- 1.11 It is worth noting that to enable the implementation of recent DSR reforms in time for the launch of the relevant DSR Options Invitation to Offer processes for 2022/2023 and 2023/2024, it was agreed that licence derogations could be implemented instead of a licence modification. This was in the unusual context of the energy crisis facing GB, and the need for changes to DSR to help enhance security of supply in GB. Ordinarily, we do not accept changes to the UNC without prior changes to the licence. We wish to clarify that this does not set a precedent for future DSR reforms to follow the same pattern.
- 1.12 As we have worked closely with industry to implement key DSR reforms over the past year, we are of the view that a four-week stakeholder consultation is appropriate, instead of the standard length of eight weeks.
- 1.13 We are of the view that this gives sufficient time for other relevant stakeholders to share their views on our proposals, whilst building on the feedback we have already received through various stakeholder and governance forums relating to DSR. This also helps to ensure any licence modification will be implemented in time for the start of the 2024/2025 DSR Invitation to Offer process.

¹¹ Decision on proposed modifications to NGT’s DSR Methodology and request for derogation from Special Condition 9.22: <https://www.ofgem.gov.uk/publications/decision-proposed-modifications-ngts-dsr-methodology-and-request-derogation-special-condition-922>

- 1.14 In addition, a statutory consultation will ensue following this consultation to offer stakeholders another opportunity to share views. We aim to have a statutory consultation published for this licence modification in early March 2024.
- 1.15 Our principal objective is to protect consumers’ interests and this is partly done by ensuring key reforms for consumers’ benefit are implemented as soon and as best as possible, using the most appropriate governance procedures. In the context of DSR, these reforms can help to further security of supply in GB by ensuring sufficient gas is in the system for all consumers to use at times of significant system stress.

How to respond

- 1.16 We want to hear from anyone interested in this consultation. Please send your response to the person or team named on this document’s front page.
- 1.17 We’ve asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.
- 1.18 We will publish non-confidential responses on our website at www.ofgem.gov.uk/consultations.

Your response, data and confidentiality

- 1.19 You can ask us to keep your response, or parts of your response, confidential. We’ll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.
- 1.20 If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you *do* wish to be kept confidential and those that you *do not* wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we’ll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.
- 1.21 If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the UK’s withdrawal from the European Union (“UK GDPR”), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its

statutory functions and in accordance with section 105 of the Utilities Act 2000.
Please refer to our Privacy Notice on consultations, see Appendix 2.

- 1.22 If you wish to respond confidentially, we’ll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won’t link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

General feedback

- 1.23 We are of the view that consultation is at the heart of good policy development. We welcome any comments about how we’ve run this consultation. We’d also like to get your answers to these questions:

1. Do you have any comments about the overall process of this consultation?
2. Do you have any comments about its tone and content?
3. Was it easy to read and understand? Or could it have been better written?
4. Were its conclusions balanced?
5. Did it make reasoned recommendations for improvement?
6. Any further comments?

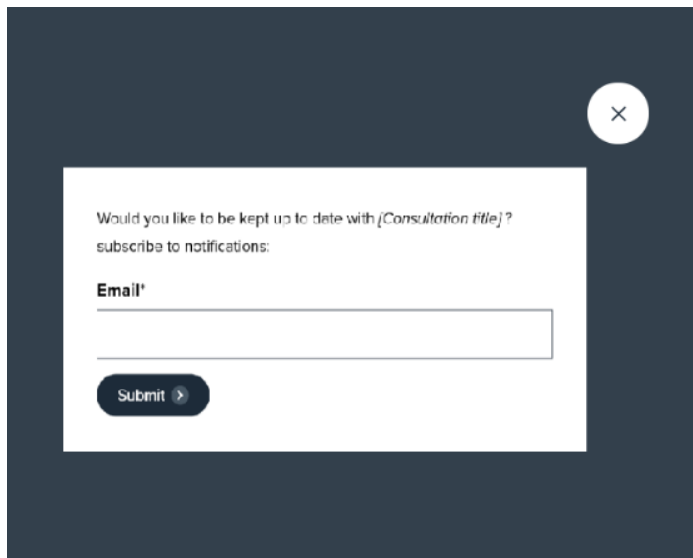
Please send any general feedback comments to stakeholders@ofgem.gov.uk

How to track the progress of the consultation

You can track the progress of a consultation from upcoming to decision status using the ‘notify me’ function on a consultation page when published on our website.

[Ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations)

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Would you like to be kept up to date with [Consultation title]?
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Once subscribed to the notifications for a particular consultation, you will receive an email to notify you when it has changed status. Our consultation stages are:

Upcoming > **Open** > **Closed** (awaiting decision) > **Closed** (with decision)

2. Proposed changes to licence condition

Section summary

This section is split into three parts: parts to be removed from the licence, parts to be amended in the licence and other areas of note. We welcome views for the suggestions made in all parts of this section, alongside your views on the questions stated below.

Questions

- Q1. Do you agree with our view that references to DSR trials can be removed? If not, please explain your reasoning.
- Q2. Do you agree with our proposal to amend the title of Special Condition 9.22 to our suggested wording? If not, please explain your reasoning.
- Q3. Do you agree with our proposal to remove the areas of duplication in the licence with the UNC? If not, please explain your reasoning.
- Q4. Do you agree with our proposed new definitions for DSR? If not, what changes or clarifications would you suggest?
- Q5. Do these new definitions make it clear which type of DSR is being referred to throughout this licence condition? If not, please explain your reasoning.
- Q6. Do you agree with our approach to refer to the UNC in parts of the licence condition to enable future-proofing? If not, please explain your reasoning.
- Q7. Are there any other drafting amendments or additions you want us to consider for this specific licence condition in order to aid clarity?

Parts to be removed

References to ‘trial’

- 2.1 Specific parts of the licence currently refer to a ‘trial’ of the DSR Methodology, should NGT decide to amend it and Ofgem believes that a trial of NGT’s proposed changes is necessary before approving them.
- 2.2 We are of the view that references to a ‘trial’ of the DSR Methodology are no longer relevant because this was initially introduced when DSR was first established as a contingency tool when there was no indication as to how the scheme would look going forward. It has now become an established tool with detailed procedures in place. However, appropriate changes can continue to be made via the established UNC governance process (including trials) for any process enhancements.

2.3 The following sections have references to a DSR Methodology ‘trial’ that we propose to remove:

- Special Condition 9.22.1 (b) and (c)
- Special Condition 9.22.7 (b)
- Part C of Special Condition 9.22

Changing the title of Special Condition 9.22

2.4 The current title of Special Condition 9.22 reads as follows: “*Special Condition 9.22 – Implementing and maintaining the Demand Side Response Methodology for use after a Gas Balancing Notification*”.

2.5 Since the implementation of the UNC modifications, associated DSR Methodology changes and licence derogation approvals, the triggers for DSR have now been expanded to include the following:

- Gas Balancing Notification
- Margins Notice
- **For D-5 offers only:** NGT can exercise accepted D-5 offers in respect of day D if it forecasts a supply deficit on day D of 14 mcm/d or greater.

2.6 To reflect this recent change, we propose to remove the reference to Gas Balancing Notification and have the title read: “***Special Condition 9.22 – Implementing and maintaining the Demand Side Response Methodology***”.

Duplication of UNC

2.7 There are sections within Special Condition 9.22 which we propose to remove as they are already explained in detail in the UNC. The intention of this proposed licence modification is to ensure the licence conditions are consistent with existing UNC changes and to future-proof the licence conditions so that future appropriate changes can be made through the established UNC process. The sections are:

- **Special Condition 9.22.3(b)** – this condition states which supply points are eligible for DSR participation.
- **Special Condition 9.22.3(c)** – this condition sets out when NGT can accept DSR offers. There are currently two derogations for this licence condition, the first of which enabled NGT to also accept DSR offers when a Margins Notice is

in place.¹² The second derogation allowed for the exercise of D-5 offers when a Margins Notice or a GBN is not in place.¹³

- **Special Condition 9.22.3(d)** – this condition outlines where the costs for DSR offers are included for imbalance cash-out calculations.

Parts to be amended

DSR definitions

- 2.8 The current DSR definitions are found in **Special Condition 1.1 Part B – Definitions**. We have identified a need to update the definitions to make them consistent with recent DSR reforms.
- 2.9 Specifically, recent reforms now include DSR Options offers through the Invitation to Offer process, as well as introducing additional triggers for DSR, class 1 consumers directly contracting with NGT and the inclusion of class 2 gas consumers to the DSR Options process. These scheme additions are inconsistent with the current definitions in the licence, as the current licence condition contains provisions that are no longer applicable from UNC822’s implementation onwards.
- 2.10 We consider it important to have a functional DSR tool to help prevent, or lessen the impact of, a gas supply emergency. Therefore, we deem it appropriate for extra measures to strengthen the tool and as such, support the changes that are aimed at clarifying the definition of DSR.
- 2.11 This issue was raised in the latest licence derogation for Special Condition 9.22.3 dated 4 August 2023.¹⁴ As changing the definition of an established term in the licence would not be appropriate under a licence derogation, we were of the view that a licence modification is necessary to ensure alignment between the written definition and the current DSR process.
- 2.12 We propose to amend the DSR definitions in **Special Condition 1.1 Part B – Definitions** to state the following:

¹² Decision on the proposed modifications to the Demand Side Response Methodology of National Grid Gas plc’s (NGG) Gas Transporter Licence and Decision further to NGG’s request for Derogation from Special Condition 9.22.3(c) of its Gas Transporter Licence: <https://www.ofgem.gov.uk/publications/decision-proposed-modifications-demand-side-response-methodology-national-grid-gas-plcs-ngg-gas-transporter-licence-and-decision-further-nggs-request-derogation-special-condition-9223c-its-gas-transporter-licence>

¹³ Decision on proposed modifications to NGT’s DSR Methodology and request for derogation from Special Condition 9.22: <https://www.ofgem.gov.uk/publications/decision-proposed-modifications-ngts-dsr-methodology-and-request-derogation-special-condition-922>

¹⁴ See above footnote.

- **Demand Side Response** – to amend ‘contracting party’ to ‘party to the Uniform Network Code’ and to include references to class 2 consumers and direct contracting for class 1 consumers.
- **Demand Side Response Methodology** – this definition refers to the title of Special Condition 9.22. We propose to change this reference to the updated title we proposed in the previous section.
- **Demand Side Response Offer** – we propose to include an additional sentence to the current definition to state that DSR offers can take the form of an Option Offer via the DSR Invitation to Offer process or an offer made on the On-The-Day Commodity Market.

2.13 The suggested full definitions can be found in Appendix 1.

Lines linking to UNC

2.14 To ensure the licence condition is future-proofed, we propose keeping the licence condition at a high-level by redirecting the reader to the UNC for more specific information on DSR if required.

2.15 This helps to keep the licence at a high-level and ensures any future DSR reforms can occur within the UNC or as part of DSR Methodology changes, as per established processes. Ofgem will still approve or reject UNC modifications through the current UNC governance process, as well as approving or rejecting changes to the DSR Methodology.

2.16 We propose to include lines to redirect to the UNC in the following areas of the licence. We welcome any views on whether this approach is appropriate:

- **Special Condition 1.1 Part B - Definitions** – the definition of “Demand Side Response” is proposed to be amended to include references to class 1 and class 2 consumers. We propose to include a line referring to the UNC, which explains the different types of DSR products available and the distinction between DSR Options offers and DSR Market offers.
- **Special Condition 9.22.3 (a)** – the current condition states that only parties to the UNC can make DSR offers. However, UNC844 and the associated derogation for this licence condition expanded DSR participation to class 1 gas consumers, with the UNC explaining the eligibility requirements in more detail.
- **Special Condition 9.22.3(e)** – this condition ensures that DSR offers are made with NGT through open and transparent market arrangements. We

propose to include a reference to the UNC which explains the market arrangements fully for all DSR products.

2.17 The proposed changes can be found in full in Appendix 1.

Other areas of note

Classification of D-5 shipper DSR offers

- 2.18 The exercise of D-5 **shipper** DSR Options offers is done by notifying the relevant shipper at D-5 and then executing a DSR locational trade on the OCM at D-1. Once the relevant shipper has reduced their gas demand between D-5 and D-1 to the agreed quantity, they must post a DSR Market Offer on D-1 which NGT must accept.
- 2.19 As stated in our derogation letter for Special Condition 9.22.3 (a), (c) and (d),¹⁵ volumes and prices of D-5 shipper DSR offers are excluded from imbalance cash-out calculations by using a locational reason code, but we note that this has the side effect of directing costs to capacity neutrality instead of balancing neutrality. The costs of D-5 shipper DSR should feed into balancing neutrality, to enable their recovery by NGT, as is the intention of UNC845 (and subsequently should not contribute toward the constraint management incentive).
- 2.20 NGT currently would instruct Xoserve to retain costs within balancing neutrality and not to move them into capacity neutrality. We have stated that we encourage NGT to find an enduring solution.
- 2.21 We are of the view that this is not required to be stated in the licence but we welcome stakeholder views on this matter.

¹⁵ Decision on proposed modifications to NGT’s DSR Methodology and request for derogation from Special Condition 9.22: <https://www.ofgem.gov.uk/publications/decision-proposed-modifications-ngts-dsr-methodology-and-request-derogation-special-condition-922>

3. Conclusion and next steps

- 3.1 Please send your responses to this consultation by **14 February 2024**. Please send your responses to energy.securityofsupply@ofgem.gov.uk.
- 3.2 Following the close of this consultation, we will review the responses and then publish a statutory consultation towards the **beginning of March 2024**. Subject to the responses received in that consultation, we will aim to publish our final decision on the DSR licence condition towards the **beginning of May 2024**.

Appendix 1 – Draft DSR licence condition text

Any text we are planning to remove are shown in strikethrough, with new text in double-underlined text.

Special Condition 1.1 Interpretation and definitions

Part B: Definitions

Demand Side Response	means the provision of gas to the licensee by a contracting party in respect of a DMC Supply Point Component <u>means the voluntary reduction of gas demand by either a party to the Uniform Network Code in respect of a DMC or DMA supply point, or directly by a gas consumer, as agreed with National Gas Transmission and in accordance with the Uniform Network Code.</u>
Demand Side Response Methodology	means a methodology maintained pursuant to and in accordance with the principles set out in part A of Special Condition 9.22 (Implementing and maintaining the Demand Side Response Methodology for use after a Gas Balancing Notification).
Demand Side Response Offer	means an offer to provide Demand Side Response. <u>This can take the form of an Option offer via the DSR Invitation to Offer process or an offer made on the On-The-Day Commodity Market.</u>

Special Condition 9.22 Implementing and maintaining the Demand Side Response Methodology ~~for use after a Gas Balancing Notification.~~

Introduction

9.22.1

This condition sets out the licensee’s obligations to:

- (a) have in place and maintain the Demand Side Response Methodology for assessing and accepting Demand Side Response Offers;
- (b) ~~Not Used~~ where directed by the Authority, run a trial of the Demand Side Response Methodology with any revisions proposed under paragraph 9.22.6(b); and
- (c) ~~Not Used~~ following such a trial, send to the Authority a report on the outcome of the trial and a version of the Demand Side Response Methodology amended to address issues identified by the licensee during the trial and, if appropriate, containing any further proposed revisions to the Demand Side Response Methodology following conclusion of the trial.

Part A: The Demand Side Response Methodology

9.22.2

The licensee must have in place and maintain a Demand Side Response Methodology approved by the Authority.

9.22.3

The licensee must ensure that the Demand Side Response Methodology:

- (a) ensures that any party making a Demand Side Response Offer is a party to the Uniform Network Code or a gas consumer that is eligible to participate, in accordance with the Uniform Network Code.
- (b) ~~Not Used~~—sets out the criteria for determining that particular DMC Supply Point Components are DMC Supply Point Components in respect of which a party may not make Demand Side Response Offers;
- (c) ~~Not Used~~ allows the licensee to accept Demand Side Response Offers only where a Gas Balancing Notification is in place or within stage 1 of a Gas Deficit Emergency;
- (d) ~~Not Used~~ demonstrates compatibility with existing market arrangements by setting out the manner in which any Demand Side Response Offers accepted by the licensee are

~~to be treated as Eligible Balancing Actions and included in the System Clearing Contract,
System Marginal Buy Price and System Marginal Sell Price;~~

(e) promotes, and further facilitates, parties making Demand Side Response Offers to the licensee through open and transparent market-based arrangements, in accordance with the Uniform Network Code.

(f) does not unduly preclude the emergence of commercial interruption arrangements;

(g) minimises distortions and unintended consequences on existing market arrangements and the principle of parties balancing their own positions in the wholesale gas market; and

(h) ensures that Demand Side Response is procured in a manner consistent with the licensee’s duties under the Act and, in particular, the licensee’s obligation to operate the pipeline system to which this licence relates in an efficient, economic and co-ordinated manner.

Part B: Revising the Demand Side Response Methodology

9.22.4

The licensee must, at least once in every period of two Regulatory Years, review, and if appropriate revise, the Demand Side Response Methodology in consultation with interested parties.

9.22.5

The consultation must allow a period of not less than 28 days in which interested parties can make representations to the licensee.

9.22.6

During the period of 7 days beginning with the date of completion of the consultation, the licensee must send to the Authority:

(a) a report on the outcome of the review;

(b) a statement of any proposed revisions to the Demand Side Response Methodology that the licensee (having regard to the outcome of the review) reasonably considers would better achieve the Demand Side Response Methodology principles; and

(c) any written representations (including proposals for revising the statement that have not been accepted by the licensee) that were received from interested parties during the consultation process and have not been withdrawn.

9.22.7

The Authority, within 28 days of receiving a report under paragraph 9.22.6(a) and a statement under paragraph 9.22.6(b), will:

- (a) approve any proposed revisions; or
- (b) ~~Not Used~~ direct the licensee to conduct a trial of the revised Demand Side Response Methodology to assess the effectiveness of the methodology and any revisions proposed by the licensee under paragraph 9.22.6(b); or
- (c) reject any proposed revisions.

9.22.8

In considering whether to approve the licensee's proposed revisions to the Demand Side Response Methodology, the Authority will have regard to whether they are consistent with the objectives in paragraph 9.22.3.

Part C: Not Used Trial and Implementation

9.22.9

~~Where the Authority directs the licensee to conduct a trial of the Demand Side Response Methodology comprising the proposed revisions as outlined in paragraph 9.22.7(b), the licensee must during the period of 28 days beginning with the last day of the trial submit to the Authority a report on the outcome of the trial, including any further proposed revisions (having regard to the outcome of the trial) to the Demand Side Response Methodology.~~

9.22.10

~~Following completion of the trial and during the period of 28 days beginning with the date of receipt of the submissions under paragraph 9.22.9, the Authority will:~~

- ~~(a) approve any proposed revisions and direct the licensee to:~~
 - ~~i. develop appropriate modifications to the Uniform Network Code and other processes and systems to enable it to implement the revisions to the Demand Side Response Methodology;~~
 - ~~ii. implement the revisions to the Demand Side Response Methodology as soon as is reasonably practicable and once the modifications, processes and systems under paragraph 9.22.10(a)(i) are complete; and~~
 - ~~iii. publish the final revised Demand Side Response Methodology on its website and in such other manner as the Authority may direct; or~~
- ~~(b) reject any proposed revisions to the Demand Side Response Methodology.~~

~~9.22.11~~

~~Where the Authority does not provide a direction under 9.22.7 or 9.22.10, the licensee must not implement the proposed revisions.~~

Part D: Exception to compliance with condition

9.22.12

The licensee may apply to the Authority for a derogation relieving the licensee of any of its obligations under this condition.

9.22.13

The Authority may, having consulted with the licensee and interested parties, direct that the licensee must temporarily or permanently cease operation of the Demand Side Response Methodology.

Appendix 2– Privacy notice on consultations

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). The Data Protection Officer can be contacted at dpo@ofgem.gov.uk

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. We will not be sharing your personal data with any external organisations

5. Your personal data will only be held for as long as is necessary for the purposes of the “National Gas Transmission’s Demand Side Response Licence Condition” modification project

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it
- ask us to restrict how we process your data
- get your data from us and re-use it across other services

- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/>, or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making

9. Your personal data will be stored in a secure government IT system

10. More information For more information on how Ofgem processes your data, click on the link to our “[ofgem privacy promise](#)”.