

A blurred background image showing various electrical components, including a power strip with multiple outlets and a power cord, in shades of blue and white.

## DSWG sub-group Update on progress made to date

Jo Witters and Olaf Islei  
Wholesale Markets

## DSWG sub-group

- Increasing focus on the value of the demand side
  - NG June Winter Outlook report
- Group formed by Ofgem in late July
  - Three meetings of sub-group since last DSWG
- Group to identify 'quick wins' ahead of winter

## Purpose of the sub-group

- Group agreed to consider:

Information already available to the market  
Quality and transparency of available information  
How could this be improved for winter?

Actions taken by NG in its role as residual balancer

Are there any barriers to demand side response via the OCM?

- Key objective: find 'quick wins' in these areas for winter

# Available Information

- Important for market to be able to respond
  - Particular issue surrounding periods of system stress
- What information is already made available to market?
  - NG website
  - Information available to Shippers – ANS
  - Comparison of information in gas and electricity

## Quality/usability of available information

- Reliability of NG IT systems
  - Concerns re website updates/outages at busy periods

## Gas NISMs

- Keen for a gas equivalent to an electricity NISM
- Customers wish to provide response to NG in very specific sets of circumstances
  - Not for commercial purposes – can contract for this already
  - Interruption purely for supply and demand balancing purposes when system is very tight – Stage '0'
- Need information to know when this response is required
  - Some customers need more notice than within day

**Daily Outlook** **Gas Day : Wednesday, 15/01/06**

**SYSTEM ALERTS**

UPCOMING ISSUES

WINTER DURATION

[Definitions](#) Click [here](#) for system alert history

**DEMAND**

		Demand (mcm)	SND (mcm)	Variance (mcm)	
14/01/06	Actual Demand	397	407	-10	15/02/06 14:09
<b>15/01/06</b>	<b>Forecast Demand</b>	<b>417</b>	<b>408</b>	<b>9</b>	15/02/06 10:59
16/01/06	Forecast Demand	421	408	13	15/02/06 13:09

[Definitions](#) Click [here](#) for forecast demand report (SIS03)

**FLOWS INTO NTS**

<b>Todays Forecast Flows into the NTS</b>	<b>414 mcm</b>	15/02/06 14:09
---	----------------	----------------

[Definitions](#) Click [here](#) for forecast aggregate flows report (NTSAPF)

**LINE PACK**

Linepack Graph

<b>Todays Opening Linepack</b>	<b>296 mcm</b>	15/02/06 14:09
Predicted Closing Linepack (PCLP1)	293 mcm	15/02/06 14:09
Change in Linepack	-3 mcm	15/02/06 14:09

[Definitions](#) Click [here](#) for full system status report (NB92)

**INTERRUPTION**

Likelihood of Interruption	NTS Spec.	Med	2 areas	
	NTS Non-Spec.	Low		14/02/06 18:12
for gas day	LDZ NSL	High	3 Zones	
<b>15/02/06</b>	LDZ Non NSL	Med	6 Zones	

[Definitions](#) Click [here](#) for Likelihood of interruption details

**STORAGE**

	14/1/06 GWh	15/01/06 GWh	Safety Monitor GWh	Max rate (GWh/day)	Days left	Ave rate (GWh/day)	Days left	
Short	1010	990 (57%)	275 (10%)	490	1	200	3	15/02/06 10:02
Medium	1810	1700 (43%)	340 (10%)	290	4	160	7	
Long	8790	8600 (24%)	450 (10%)	420	21	380	23	

[Definitions](#) Click [here](#) for storage monitor spreadsheet

## Website proposals

- Cornwall Consulting
- NG

## Information summary page

- Essential information
- Available in other forms at present
- Inclusion of new system warnings 'Gas NISMS'

Can be done for this winter

# Information Reliability

- IE3 Resilience project
  - Existing system not meeting current user requirements
  - Seeking to address current issues with web site reliability
  - Three phases – completion by June 06
- This Winter
  - 24-7 web system support
  - Specific support to five top downloaded reports
  - Group to define requirements for NG
    - Essential information requirements

# Storage Information

- NG publishes storage monitor information
  - Published to the market weekly & more often during 'critical periods'
- Group considered more regular reporting of this information this would be useful for customers
  - Enable better understanding of supply and demand on the gas system
  - Particularly important during periods of system stress
- Ofgem has led discussions with storage operators
  - All storage operators have agreed to daily reporting of this information
  - Storage stock information updated for D at D + 1
  - Will be made available to the market for this winter



# Residual balancing actions

- Group agreed that there is a role for NG as residual balancer
  - Very specific set of circumstances
  - Shippers to balance supply and demand for vast majority of time
- Group requesting clarification of NG's interpretation of its role
  - NG to provide further clarification to DSWG today
  - Treatment of balancing actions taken for more than one day?

# OCM

- Discussions re potential barriers on the OCM to the demand side
  - Lot size – aggregation?
  - Timing of bids/offers – when lodged and duration
  - Cost of registering + credit requirements
- APX delivered helpful presentation re operation of OCM
  - Can accept partial bids
  - Physical/locational trades can be accepted – cannot be used for commercial balancing purposes
  - Changes to duration/timing of bids/offers feasible – code/systems changes likely
- APX presentation to be published on Ofgem's website

## 'Gas NISM' contracts

- Customers want to provide response in very specific sets of circumstances
  - Not for commercial purposes
- Gas NISM could be used as a transparent 'trigger' in such contracts
  - Can be used to check that system is tight
  - May need more notice than within day
- OCM also an option for offering response
- Contract price to reflect customers opportunity costs

## Quick Wins?

- NG proposal for information summary page + Gas NISMs
  - To be in for this winter
- Improved reliability of information provision
  - 24-7 web system support
  - Additional checks for essential reports
- Release of additional storage information
  - Ofgem facilitated agreement across all storage operators
- Greater clarification of NG's residual balancing role
  - Extent of this role agreed as a group
- Further clarification re operation of OCM
  - APX explanation of different services available to market

## Way forward?

- Tools will be in place for this winter
- Over to customers and shippers...

A large, central version of the ofgem logo is positioned in the middle of the slide. It features the word "ofgem" in white lowercase letters on a red rounded rectangular background. The background of the slide is a faded, blue-tinted image of a person sitting at a desk with a computer monitor and keyboard.

Promoting choice and value for all  
gas and electricity customers