

The background features a large, semi-transparent white arrow pointing to the right, overlaid on a blurred image of interlocking gears. The gears are in shades of blue and white, with a bright light source creating a lens flare effect in the upper left quadrant.

## **Workshop 2: Gas SCR draft policy decision**

# **Business rules for a near time option and a post event option**

## Plan for the day

- 10:00 – 10:15 - Ofgem presentation
  - Introduction
- 10:15 – 12:00 – Breakout discussion sessions
  - Discussion on the business rules
  - Facilitated by National Grid Gas and Ofgem
- 12:00 – 12:15 – Feedback from breakout sessions
- 12:15 – 12:30 – Response from Ofgem and next steps

## Purpose of today's workshop (I)

- To talk through business rules for:
  - Option 1: Near time
  - Option 2: Post Event
- We would like a steer on whether option 1 or 2 is preferred
  - Though both will go to Xoserve for an initial costing and this could impact on the ultimate choice of option

## Purpose of today's workshop (II)

- We have taken a minded-to position in respect of a number of issues discussed at the last workshop
  - We welcome views on these
- However, for some detailed issues our position is still fairly open
  - We would like to come to initial agreement on these

## Recap on the draft policy decision (on cash-out reform)

- Where firm load shedding occurs, for each day of load shedding:
  - short shippers will face a cash-out price of £20/therm (or higher if it has already exceeded this)
  - firm end users that are interrupted will receive payment at £20/therm (though it may be difficult to pay NDM customers where evidence of demand reduction cannot be provided)
- Where network isolation occurs, for the first day:
  - short shippers will face a cash-out price of £20/therm
  - firm end users (DM and NDM customers) that are interrupted will receive payment at £20/therm

## The devil is in the detail

- As part of the business rules we will present:
  - What to do with any under/over recovery of funds for involuntary demand side response payments?
  - Whether to have a single cash-out price?
  - Whether to have Force Majeure?
  - How to deal with interruptible customers that are instructed off by National Grid?
  - What to do with insolvency, if anything?

The background of the slide is a composite image. On the left, there are rows of solar panels under a bright sun. On the right, a hand is shown holding a white document. In the bottom left corner, a blue gas burner is visible. The overall theme is energy and customer service.

*ofgem*

Promoting choice and value  
for all gas and electricity customers