

Brendan Mullan
Senior Contracts Officer

Brendan.Mullan@nationalgrid.com

www.nationalgrid.com

13th December 2022

Dear Industry Colleague,

GAS DEMAND SIDE RESPONSE (DSR) INVITATION TO OFFER – COMMUNICATION: FUEL SWITCHING

The Government has today (13 December 2022) informed us that it has put in place a measure to temporarily permit fuel switching for Environment Agency permitted sites that participate, via their shipper, in the Within Day and Day Ahead (D-1) Gas Demand Side Response (DSR) scheme. The Gas Demand Side Response Direction which implements this measure can be viewed [here](#) and we are communicating this development in advance of the invitation to offer process for Within Day and Day Ahead gas DSR options closing on 23 December 2022.

During the development of gas DSR reforms for this winter, some stakeholders told us that breach of environmental permits caused by fuel switching, if called upon to reduce gas offtake, was a barrier to their participation in the DSR scheme. We have therefore worked with the Government to deliver this measure which will extend the pre-existing permitted arrangements for relevant sites with capacity to fuel switch in an emergency, to cover the pre-emergency voluntary DSR phase.

Fuel switching as a measure is part of a range of actions the Government is taking this winter on energy security to ensure the UK is as prepared as possible for all eventualities, however unlikely. This measure will apply to Environment Agency permitted sites that deliver gas demand reduction under the DSR scheme, either via a DSR option or not.

Subject to no subsequent decision being taken to revise or revoke this Direction, it will be in force from the implementation date 23 December 2022 to 30 April 2023, from 01 November 2023 to 30 April 2024 and from 01 November 2024 to 30 April 2025. Implementation of this measure is via a Direction from the Department for Environment, Food and Rural Affairs (Defra) to the Environment Agency. Defra has instructed the Environment Agency not to pursue enforcement action, if sites which deliver gas DSR by fuel switching abide by the criteria set out in the Gas Demand Side Response Direction.

If you have any queries concerning the fuel switching measure, please direct them to Philip.hobbins@nationalgrid.com in the first instance.

Yours Sincerely,

Brendan Mullan

**Brendan Mullan
Senior Contracts Officer
Gas Commercial and Incentives**