



Gas DSR Methodology Consultation Report

June 2024



Gas DSR Methodology Consultation Report

This report documents the outcome of NGT's recent consultation undertaken in respect of the Gas DSR Framework and Methodology Document (DSR Methodology), which closed on 17 June 2024. This report and the preceding consultation have been prepared in accordance with Special Condition 9.22 of the NTS Licence.

Background

DSR provides an additional 'route to market' through which large gas consumers can offer to reduce their gas demand at times of national gas supply shortage in return for payments which they define. The DSR Methodology sets out the details of the DSR products and how they may be procured and deployed.

Special Condition 9.22 of the NTS Licence requires NGT to review the DSR Methodology in consultation with the industry at least once in every period of two Regulatory Years. The last review was completed in July 2023.

Special Condition 9.22 of the NTS Licence also requires NGT to send to the Authority within 7 days of completion of a consultation on the DSR Methodology:

- 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accepted by the licensee) that were received from interested parties during the consultation process and have not been withdrawn.

The present review was initiated to remove duplication with the UNC that has arisen following the implementation of DSR reforms in recent years and to align it with the most recent UNC DSR Modification 0866.¹

Views Received

We received no responses to this DSR Methodology consultation.

¹ [Amendments to Demand Side Response \(DSR\) Arrangements | Joint office of Gas Transporters \(gasgovernance.co.uk\)](https://www.gasgovernance.co.uk/amendments-to-demand-side-response-dsr-arrangements)

NGT Views

Special Condition 9.22 requires that this consultation report contains a statement of any proposed revisions to the DSR Methodology that the licensee (having regard to the outcome of the review) reasonably considers would better achieve the DSR principles.

The proposed revisions to the DSR Methodology are submitted as a separate document with this consultation report in mark-up form, unaltered from the version made available for consultation.

In our view, these amendments better facilitate the DSR principle of minimising distortions and unintended consequences on existing market arrangements by addressing duplication with the UNC and thus the risk of inconsistency between the two documents.

Next Steps

NGT proposes to amend the DSR Methodology in line with the marked-up version that is submitted to the Authority with this consultation report, subject to the direction of the Authority.

This consultation report will be published on the [DSR Webpage](#) of NGT's website.

Contact:

Phil Hobbins

Gas System Operations

T: +44 (0) 7966 865623

E: Philip.hobbins@nationalgas.com

nationalgas.com

