

GT SECTOR	
REFERENCE NUMBER:	CATEGORY:
LICENCE CONDITION NUMBER: <i>(if relevant):</i>	SpC 9.22
TITLE:	Development and implementation of a Demand Side Response methodology for use after a Gas Balancing Notification
RELEVANT LICENCE CONSULTATION QUESTIONS <i>(if any):</i>	Q27 – captured under generic question on views of the proposals for changes to GT licence
RELEVANT ISSUES LOG:	Gas Transmission Issue Logs_9.22 - 8I - Gas Balancing Notification Issues Log
POLICY ISSUES	
<ul style="list-style-type: none"> Removal of time limit on Ofgem decisions Ofgem making proposed recommendations for change 	<ul style="list-style-type: none"> 9.22.7 removes existing 28 day limit for Ofgem, whereby approval is deemed in the absence of an Ofgem decision. There is no clarity on how processes should operate if Ofgem has not made a timely decision on proposed changes. The rationale for this change both here and across the licence is not clear. 9.22.7 introduces the option of the Authority proposing its own recommendations for changes (only when rejecting proposed changes). It is not clear how NGGT should proceed in this circumstance, particularly in the circumstance where there is insufficient time, in the current year, to reconsult with stakeholders and bring fresh proposals to Ofgem ahead of operating the process in question. Also, would Ofgem not want the ability to make recommendations when approving a proposed change?
DRAFTING ISSUES	
<ul style="list-style-type: none"> Heading 9.22.3(d) 9.22.7 9.22.7 9.22.7(b) 	<ul style="list-style-type: none"> Given that the DSRM is in place and this condition represents an ongoing obligation we suggest the title is amended by deleting the words "Development and implementation of a" The term "System Marginal Sell Price" is not defined in the GT definitions annex The removal of the existing provisions in 8I.16 which deem approval of revisions after 28 days in the absence of an Authority decision means that the position is unclear in respect of proposals that have neither been approved or rejected. It is assumed that the licensee is to continue to maintain an unmodified version of the DSRM and not to include revisions until the Authority makes a decision under 9.22.7 even though there is no timeframe in which such a decision must be made. If this is the case can please can Ofgem confirm the point. Delete "either"

<ul style="list-style-type: none"> 9.22.8 	<ul style="list-style-type: none"> It is not clear if the provisions at 9.22.7(b) constitute an acceptance or rejection of the proposed modification. The existing licence conditions provided for the Authority to direct a trial of the approved DSRM. It is therefore assumed that the trial contemplated here is only to be directed after the proposed revisions are approved. This would seem to be consistent with 9.22.9 which refers to the conduct of a trial of the revised (implying approved) DSRM. If this is the case we suggest 9.22.7(b) reads “approve the revisions and direct the licensee to conduct a trial...” As DSRM principles are no longer defined, we suggest adding “as set out in paragraph 9.22.3” at the end of this paragraph in order to clarify what the principles are.
FINANCE ISSUES	
SUPPORTING INFORMATION	
OFGEM ENGAGEMENT:	LDWG