

# Gas Demand Side Response (DSR)

Tender Outcome Report

September 2025

---

# Contents

<b>1.0 Executive Summary</b>	<b>3</b>
<b>2.0 DSR Invitation to offer event.</b>	<b>3</b>
<hr/>	
<b>3.0 DSR Offers received</b>	<b>4</b>
<b>4.0 DSR Offers accepted</b>	<b>4</b>
<b>5.0 Explanation for our decision</b>	<b>4</b>

## 1.0 Executive Summary

UNC TPD section D7.6.7 requires National Gas Transmission (NGT) to publish aggregated information relating to a Demand Side Response (DSR) tender within 5 business days from the date on which notifications were given to tenderers about whether NGT had accepted their DSR Option Offer. This document fulfils that obligation and provides a summary of the outcome of the recent DSR Invitation to Offer event that was launched on the 27th June 2025.

Through the Invitation to Offer event, NGT sought offers from Shippers and eligible Consumers to reduce their gas demand if certain national supply/demand conditions are experienced. Three DSR products were offered which could be exercised within-day, on D-1 (day ahead of delivery) or on D-5 (5 days ahead of delivery) for the forthcoming Winter Period (1 November 2025 to 30 April 2026) and the following next two Winter Periods (1 November 2026 to 30 April 2027 and 1 November 2027 to 30 April 2028).

NGT began the first annual DSR tender process in 2022, therefore this is the fourth time the process has been run. Earlier this year, NGT communicated to industry and potential consumer participants that while market growth had been achieved year on year, aggregate volumes tendered to date remain below what is required for gas DSR to fulfil its purpose – to mitigate the risk of a national gas supply shortage progressing to a network gas supply emergency or at least materially limit the extent and duration of such emergency. NGT is also mindful that decisions about which offers to accept or reject in previous tenders have sought to balance stimulation of this nascent market with our obligation to procure balancing services economically and efficiently.

Earlier this year, NGT also considered what level of aggregate volume offered that would be capable of acceptance would, in its view, be the minimum needed to consider acceptance of any offers this year. From the options considered, NGT decided that exponential volume growth from last year's tender would be the threshold required, equating to an aggregate option quantity of 2.3 mcm/d (~25,000,000 kWh). NGT also stated that if this threshold was not met then it would seek to raise a UNC modification to remove the obligation to run a DSR tender. This threshold was communicated to the market by NGT in June 2025.

**The aggregate quantity offered that was capable of acceptance in this year's tender was 1.32 mcm/d, therefore NGT has not accepted any DSR offers from this year's tender. Given the upcoming DESNZ consultation on gas system resilience as outlined in DESNZ's midstream gas system: update to the market publication<sup>1</sup>, the increase in volume in the 2025 tender and the reduction in option prices, NGT will not be raising such a modification at this time.**

## 2.0 DSR Invitation to offer event.

The launch of the DSR Invitation to Offer Event (for winters 25/26, 26/27 and 27/28) was communicated to the market via the Joint Office on the 27th June 2025 and the tender closed on the 29th August 2025.

---

<sup>1</sup> [Midstream gas system: update to the market - GOV.UK](#)

Responses were to be submitted either by a Shipper that is the Registered User at an eligible supply point or by an eligible Consumer at a supply point.

Tenderers were invited to offer a quantity of daily demand that would not be exceeded if DSR was called upon ('DSR Reduced Quantity'). The quantity to calculate payment would then be based on the difference between the average daily winter demand ('Winter Average Demand') for that site and the tendered DSR Reduced Quantity. The difference between these two values is termed the 'Option Quantity' and must be a minimum of 100,000 kWh.

### 3.0 DSR Offers received

Summary of the offers received this year compared to the last three years:

Year of Tender	Winter Periods for which offers received	Number of Tenderers	Number of offers received	Aggregate Quantity(kWh /day) of offers received	Weighted Average Price of offers received (p/kWh)/day	Aggregate quantity of offers kWh/day (mcm/d) capable of acceptance
2022	2022-23	2	2	2,100,000	0.63p	2,100,000 (0.19 mcm)
2023	2023-24	9	16	12,752,026	0.60p	8,065,483 (0.73 mcm)
2024	2024-25 2025-26 2026-27	15	25	19,871,489	0.88p	14,016,080 (1.27 mcm)
2025	2025-26	16	18	21,633,151	0.47p	14,546,415 (1.32 mcm)

### 4.0 DSR Offers accepted

Summary of the offers accepted this year compared to the last three years:

Year of Tender	Number of Offers accepted	Volumes Accepted (kWh)	Accepted Offers Total (£)
2022	2	2,100,000 (0.19 mcm)	£1,463,000
2023	6	6,396,722 (0.58 mcm)	£6,638,417
2024	6	4,290,638 (0.39 mcm)	£3,666,242
2025	0	0	0

### 5.0 Explanation for our decision

NGT communicated to industry and potential consumer participants pre-tender that despite year-on-year growth of DSR, prices remained high, and volumes tendered remained below what is required for DSR to fulfil its purpose as a pre-emergency tool to mitigate a NGSE. NGT thus communicated that material growth in tendered volumes is required this year (determined to be 2.3 mcm/d) to justify continued acceptance of DSR Option Offers in line with Special Condition 9.22 of its GT Licence; failure to achieve a total acceptable volume of 2.3 mcm/d in this year's tender would lead to all DSR Option Offers received being rejected.

**This year's DSR summer tender failed to achieve this target, falling short by ~1 mcm/d.** NGT therefore concluded that no DSR Option Offer shall be accepted this year as doing so could not be considered economic and efficient given the minimum requirement NGT set for DSR to fulfil its purpose.

## **Next Steps**

Earlier this year, we stated our intention to seek to remove our UNC obligation to run the DSR tender process if the volume target of 2.3 mcm/d was not met. However, NGT have deemed it appropriate at this stage not to raise a UNC Modification. As communicated in DESNZ's midstream gas system: update to the market publication DESNZ shall soon be consulting on gas supply resilience and flexibility. Given DSR's purpose is to enhance system resilience, NGT considers it would be prudent to await the conclusion of this consultation prior to taking any such action.

In addition, it should be noted that a year-on-year 4% growth of offers capable of acceptance has been observed, whilst the weighted average option price for offers received reduced from 0.88p/kWh/day last year to 0.47p/kWh/day this year (a 46% reduction) which we are encouraged to see. We therefore look forward to further engagement with shippers and eligible consumers and to the conclusion of the upcoming DESNZ consultation to understand whether future reforms could result in greater quantities of voluntary DSR being offered to NGT.

In accordance with UNC TPD section D7.6.6, offers received are summarised below;

**Winter 2025/2026**

(a)	Total Option quantities offered under all DSR Option offers	21,633,151kWh*
(b)	Total Option quantities for which offers were accepted	0
(c)	The number of DSR Participants submitting DSR Option offers	16
(d)	The number of supply points in respect of which DSR option were submitted	18
(e)	The weighted average option price under all accepted DSR option offers	n/a
(f)	The Lowest and the Highest option prices for which DSR Option offers were accepted	n/a
	Lowest	
	Highest	
(g)	The Lowest and the Highest Exercise prices for which DSR Option offers were accepted separately for Exercise Prices	n/a
	Lowest	
	Highest	
	Lowest	
	Highest	
(h)	the total amount in respect of Daily Option Fees payable in respect of all accepted option offers	n/a
(i)	the number of Consumers participating that submitted DSR Option Offers,	16
(j)	The number of Consumers that have had DSR Option Offers accepted	0
(k)	the number of Users that submitted DSR Option Offers	0
(l)	the number of Users that have had DSR Option Offers accepted	0
(m)	Subject to the number of accepted DSR Option Offers for each of the Within Day option, Day - Ahead option and 5 day Ahead Option being greater than or equal to 3 , the weighted average option and exercise prices accepted per DSR product (within-day, D-1,D-5)	n/a
		<b>Option</b>
	Within Day	
	D-1	
	D-5	
		<b>Exercise</b>
	Within Day	
	D-1	
	D-5	
(n)	Subject to the number of accepted DSR Option Offers for each of the following sectors (being categorised as chemicals, food and drink, Steel and Glass (Heavy Industry) other manufacturing, public services and other) being greater than or equal to 3 , the number of accepted DSR Option Offers for each such sector	n/a
	Within Day	
	D-1	
	D-5	
	<b>* This is total quantity of offers and not what NGT could accept as there were offers for more than one product - In accordance with the DSR methodology NGT are unable to take those further as the methodology/rules state that only one such offer can be accepted.</b>	