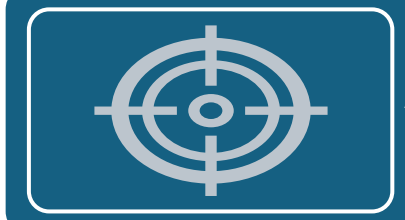
## Deemed Contracts

We've considered whether deemed contracts should be required to be made available by suppliers via the API.

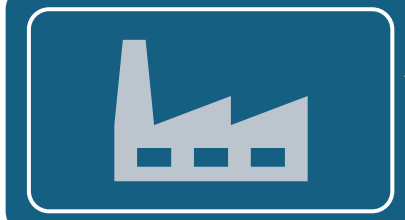


A Deemed Contract relationship will normally exist in circumstances where a consumer moves into new premises, and starts to consume gas and/or electricity.



Deemed contracts can be more expensive than standard tariffs.

A consumer who has not actively sought a new tariff/contract when moving premises is less likely to be the target audience who will seek to optimise their ESA.



As bespoke contract data is voluntary we consider it would be disproportionate to require non-domestic suppliers to build and maintain the API if they are only required to make deemed contract data available.



However, some consumers may access optimisation benefits from deemed contracts being included within the API at a minimum cost to suppliers if they're already required to build the API.



We are minded to include within the Electricity Supplier Licence Conditions a clause which stipulates that a supplier is not required to build and maintain the API if they are only required to make deemed contract data available. If they are required to build the API to make other tariffs/contracts available, then they should also make deemed contract data available.

**Load Risks**

It was raised in a previous working group that if a supplier's tariff could influence more than 300MW of downstream load then the NIS regulations should apply.

We've considered this



It should be noted that NIS regulations would not apply if a tariff could influence more than 300MW of load, as a supplier is not classified as a load controller.

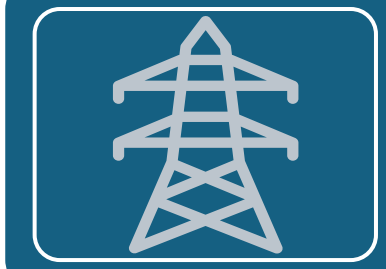


We do however recognise a potential issue:

- If suppliers have large numbers of consumers on tariffs which price rates change at the same time then there the risk of herding.

- Randomised delay will help alleviate some of the herding risk.

- Randomised delay however may not alleviate all the risks. There is still a risk that even with randomised delay there may be too much load on at the same time



We believe that there may already be mitigations in place in the Grid and Distribution Codes.

This issue will be raised at the Grid Stability Working Group and members will be given the action to check the Codes and if there is a gap to raise a Modification to the relevant Code(s).