EB GL ARTICLE 18 AMENDMENT CONSULTATION – RESPONSE PROFORMA

NGESO invites responses to this consultation by **13:00 28th March 2019**. The responses to the specific consultation questions (below) or any other aspect of this consultation can be provided by completing the following form.

Please complete this form regarding the proposal titled: "**Electricity Balancing Guideline (EB GL) Article 18: Terms and Conditions related to Balancing".**

Please return the completed form to europeancodes.electricity@nationalgrid.com

Respondent:	Rick Parfett
Company Name:	The Association of Decentralised Energy
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response	NGESO Response
1	Do you agree with the approach taken in the proposal? Please provide rationale.	The ADE agrees with the approach taken in the proposal. The approach should ensure compliance with the EBGL while aligning with existing processes as much as possible. Changes to the BSC and Grid Code should seek to maintain existing processes in most respects, with the addition of the Article 6(2) requirements of a one-month public consultation and Ofgem approval for any changes to Article 18 Terms and Conditions. National Grid should ensure that delegation of some obligations around code the change process to Elexon is approved. The ADE strongly supports National Grid's proposal to locate the terms and conditions for tendered services in the Standard Contract Terms, rather than in the code. Transposing terms and conditions for non-BM balancing services into the codes would create a serious barrier to entry for many smaller market participants, who are not party to the CUSC or the Grid Code. This would risk creating a scenario where parties are unable to access markets or are bound to terms and conditions that they are not able to suggest changes to. The codes are also extremely long and impenetrable, with few parts applying to smaller providers of balancing services. Forcing these providers to sign up the codes would risk obliging them to meet unnecessary and inappropriate requirements and create a significant barrier to market entry. Placing the terms and conditions in the codes would also severely limit National Grid's ability to respond in agile fashion to new technologies or business models that provide balancing services. The Grid Code and CUSC are laborious documents to change and therefore are not suitable for the pace of change needed in the reform and development of new balancing services through the SNAPS programme and beyond.	NGESO thanks ADE for this feedback. We note the point about ensuring that delegation of some obligations around the code change process to Elexon is facilitated, and we have been working with Elexon to understand options for this. We foresee that this may need to be done through the proposed code modification(s). The detail of this will be explored as part of the modification proposal work.
2	Do you have any comments on the proposal letter?	No	

3	**Annex 1**: Do you have any comments on the mapping?	Some ADE members have expressed concern that the mapping of the SCTs is currently inadequate. National Grid should consider whether sections 2, 3 and 4 of the FFR SCTs should be mapped across in their entirety. Changes to these sections are likely and could be relevant to the EBGL; TSOs in other European countries have tended to include sections similar to these ones. National Grid should also assess whether a similar concern exists for the STOR and Fast Reserve SCTs.	We have revisited the references to SCTs in the mapping based on this feedback. From this we have concluded that sections 2 of the SCTs for each service are correctly referenced (please note these were already mapped). Concerning section 4, we are also in agreement that this should be mapped in its entirety for both FFR and FR (please note, it was already mapped for FFR, and we have added the reference for FR). This is because section 4 of these terms cover pre-qualification aspects of the services. For section 3 of the SCTs, our conclusions are as follows: FFR: - Clauses 3.1-3.8 and 3.13 are relevant as they broadly relate to service delivery and payments. - The remaining clauses, 3.9 – 3.12 and 3.14 are not covered by any requirements in A18, and cover matters such as third party claims, communication between ourselves and providers and provision of other balancing services. FR - Clauses 3.1-3.4 and 3.10 are relevant as they broadly relate to service delivery and payments - 3.5 – 3.9 are not covered by any requirements in A18, and cover matters such as third party claims, communication between ourselves and providers and provision of other balancing services. STOR - Clauses 3.1 – 3.6 and 3.13 are relevant as they broadly relate to service delivery and payments. - 3.7 – 3.12 are not covered by any requirements in A18, and cover matters such as third party claims, communication between ourselves and p providers and provision of other balancing services. These conclusions have been reflected in the mapping document.

No	Question	Response	NGESO Response
4	**Annex 2:** Do you have any comments on the summary of changes to the mapping?	No	
5	**Annex 3:** Do you have any comments on the proposed changes to the code governance process?	It would be helpful for National Grid and Ofgem to explicitly state that the ability to propose changes to Article 18 Terms and Conditions is not limited to the TSO and the Regulator but is also available to market participants. We support the idea of Elexon and National Grid engaging in joint working in order to align any new consultation requirements under Article 6(2) as closely with existing change processes.	While EBGL does not envisage market participants proposing changes to the Article 18 terms and conditions, in the national context the ability to propose changes to such terms and conditions will be retained. We are considering the best way to ensure that the EBGL is complied with whilst preserving this right for market participants. Options for this will be assessed as part of the code modifications.
6	**Annex 4:** Do you have any comments on the proposed changes to the standard contract terms?	Please see our response to Question 1.	
7	**Annex 5:** Do you have any comments on the proposed implementation timelines?	No.	
8	Do you have any other comments in relation to the proposal?	No.	