National Grid ESO
Faraday House, Gallows Hill
Warwick, CV34 6DA

Response proforma:

ODFM Terms and Conditions Consultation – Response Proforma

NGESO invites responses to this consultation by **16:00, 19th June 2020**. 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: **"ODFM_EBGL A18 Mapping".**

Please return the completed form to box.europeancodes.electricity@nationalgrideso.com

Respondent:	Richard Hanson
Company Name:	National Grid Electricity System Operator
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response
1	Do you agree with the approach taken in the proposal? Please provide rationale.	Yes- we agree with the approach to make required changes to the service terms and conditions to include the new ODFM service.
2	Do you have any comments on the proposal letter?	Yes – ESO view this service as a crucial tool for the ENCC to support managing the summer operability challenges associated with COVID-19. To date industry have responded extremely positively to the service and we would like to ensure we seek to develop areas of the service where possible even during the limited lifespan of the product to enhance learnings for future services, including but not limited to Reserve products, the Regional Development Programme as well as wider BM Access.
3	**Annex 1**: Do you have any comments on the highlighted mapping for ODFM service?	No

4	Do you have any other comments in relation to the proposal?	This service (and its terms and conditions) has been developed with urgency to address the effects on the Transmission system of supressed demand arising because of actions taken due to the COVID 19 pandemic. With practical experience of using this service, internal learning and external industry feedback we feel that the terms and conditions could be improved as follows to better reflect the way the different technology types can participate and improve the ability to best utilise the service and maximise value to the end consumer. We are therefore responding as a stakeholder to this consultation with our views as to how the terms and conditions could be improved as below to address these issues. <u>Service Terms:</u> Many parties entering/looking to enter the contract have expressed concerns to us over the severity of the impact of the penalty associated to ramp rates. Given the resulting lack of incentive to deliver for the remainder of the instruction with the current impact, which is not what the ESO intended, it is our view that the penalties associated under the relevant clauses should be modified to encourage parties to continue to deliver if possible and be reflective of this in the penalty format. We propose only penalising ramp rate error for the settlement periods where ramping is not met and at a 50% rate if the unit can continue to progress to full delivery. Periods of full delivery should then be paid accordingly to the normal payment terms. Parties have also expressed concerns regarding the tolerances for delivery under the service. ESO propose introducing a 10% delivery tolerance to offer a margin for error. This maximises the value of the service by enabling even greater participation from renewables and non-traditional players. This also aligns closely with tolerances in our other reserve services. <u>Glossary:</u> It is anticipated that should any new data fields be added or service terms adjusted through the consultation any new terms will need to be added to the Glossary.

		Guidance Document: Several parties have enquired about the ability to participate in ODFM if they hold a GTMA with ESO. Adding clarity on this topic to the document would be helpful and efficient. It is our view that a party holding a GTMA with ESO with units eligible to participate in ODFM should be able to do so. When the ESO identifies a need for ODFM, our preferred mechanism at this time for assessing and dispatching all eligible units is through this service. Following the first instruction of the service, parties sought clarity around when ESO would issue the instructions by. It is our view that adding clarity to the guidance document that dispatch instructions can be sent anytime up until 5pm would be beneficial for parties in their planning of processes around participation. In our view, it would be helpful to add clarity around ramp rates and the changes proposed to the settlement/provider data templates to better support providers with guidance material. Settlement Data Template: ESO issued 388 instructions over the second bank holiday weekend in May. Following the submission of the templates from industry there was a vast amount of variation in how these forms were completed. It is our view that re formatting the form and locking down fields to ensure the data is submitted in a more uniform manner will be more efficient and enhance automation for settlement and performance purposes. These changes would predominantly be data formatting and layout related. It would also be helpful to be able to request additional information regarding the order a party dispatched their units in if participating with multiple units to ensure performance monitoring is as accurate as possible. Provider Data Template: ODFM is the first balancing service that has seen a dominant share of intermittent renewables generation participation so there has been a great deal of learning around the level of controllability of these assets and what the challenges are associated with this. Consequently, we have received a lot of feedback and request for clarification on ramp rates. Several parties have flagged that their control systems are not as sophisticated as assets playing in our other markets such as FFR and STOR.

No	Question	Response

		It is our view that updating/adding the below fields in the data template would enhance the accuracy of data submitted and how units deliver the service. This will enable our scheduling and utilisation of the service to be more accurate. This has been a key learning point for the ESO as the service was designed using assumptions as to how providers would ramp to deliver the service that have not held to be true. It is in the best interests of GB consumers to implement this learning to enable more accurate scheduling of the service and so our view is that changes should be introduced as follows.
		
		• Adding further comments to the instructions tab offering support of how to complete the data template.
		• Add the following columns of data to enable participants to split out the instruction processing times from the technical ramp rate data to more accurately reflect how they deliver. Fall back allows parties to separate their best endeavours business as usual processing time from any backup processes they have in place should systems fail.
		  ○ Instruction processing time
		  ○ Fall back instruction processing
		  ○ Delivery profile (how the MW's are delivered e.g. linearly)
		  ○ Control System (manual, automated etc.)
		  ○ Add cumulative instruction processing. Many participants have flagged that control systems do not enable instructions to be pre-programmed and thus must manually action instructions one by one. For parties who have many units this has been flagged as something which is challenging to share with ESO as part of the submission. This drop down enables parties to flag if this is the case so that ESO is aware of this for performance monitoring and scheduling purposes providing a more accurate view of how parties deliver when contracted for multiple units.