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

Flexitricity Limited ODFM Terms and Conditions Consultation – Response

No	Question	Flexitricity Response	NGESO comments
1	Do you agree with the approach taken in the proposal? Please provide rationale.	Flexitricity Limited agrees with the approach in the proposal that the EBGL Article 18 terms and conditions are amended to include the ODFM terms and conditions. The service is a necessity, borne from an unforeseen and unprecedented situation, and it makes no sense for the T&Cs associated with the ODFM service not to be included in Article 18.	Thank you for your comments
2	Do you have any comments on the proposal letter?	The proposal letter is clear and well-constructed in its aim.	
3	**Annex 1**: Do you have any comments on the highlighted mapping for ODFM service?	The mapping is correct.	

4	Do you have any other comments in relation to the proposal?	As a service, ODFM is envisaged to have a short lifespan (4 months) and so inclusion of the T&Cs into EBGL Article 18 T&Cs may seem needless. However, although the proposal letter clearly states that no extensions to the service is envisaged, there can be no guarantee that the service will not be required in the short-term future, and as such, provision need to be made for such changes. Even in the short term, consultation and potential change is required relating to the provider data template and the information sought therein, as to whether it meets the requirements for accurate tender assessment and operational despatch. Flexitricity thinks that the penalty and payment processes could be amended via consultation, with the penalty regime particularly punitive. Including ODFM into EBGL Article 18 would allow for such consultation.	Feedback from the market has highlighted the inconsistency in the ODFM lifespan and Grid Code changes. As a prudent system operator, we agree that it is appropriate for the ODFM terms to mirror the cease date of GC0143. As such, the terms will be extended until 25th October 2020. As this is an optional service, providers who do not wish to offer their service beyond 31st August can opt out by no longer offering their availability into this service after such time. As for an enduring service beyond this October 2020, we will use the feedback from this consultation as well as seek further feedback from the market to review learning in order to inform the design of an enduring footroom service as part of Reserve Reform. Already there is plenty of learning that will not only inform future Reserve products, but many of our projects to deliver our zero carbon 2025 ambition e.g. Regional Development Programmes. ESO have introduced a +/-10% delivery tolerance for all participating units. This has been introduced following feedback that the penalty structure was viewed as very challenging and offered no room for error on delivery. By introducing this threshold, it offers parties some flexibility on minor deviations without impacting the entire instructions payment. This should encourage parties to continue to deliver the service should parties experience any minor delivery variation or metering errors. Many parties have expressed concerns to us over the severity of the impact of the penalty associated to ramp rates ESO have added a new clause on ramp rates to expand on feedback we received

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			around the need for enhanced clarity and processes associated with ramp rates. Most the feedback ESO received as part of the consultation was associated to the impact of deviating outside of the min and max ramp rates had on the payment of the instruction (no payment for entire instruction the consequence). Whist the intention of this clause was to encourage parties to stick to their submitted parameters ESO recognise that it has had some unintended consequences. ESO have amended the service payment clauses so that we reserve the right to withhold 50% of the service fee for settlement periods impacted by poor ramping but allows parties to still receive full payment for periods that are subsequently successfully delivered as per their instructed volume. This should encourage parties to continue to deliver where possible even if they experience ramping challenges. To enable these changes to be made the provider data template will be updated, and any feedback related to improving this template implemented to make it easier to use and minimise any risks of data errors. Within the provider data template, we have added additional data fields to capture instruction processing time so this information can be separated from the technical ramp rate data of MW/min change following instruction processing.