National Grid ESO
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nationalgridESO

ODFM Terms and Conditions Consultation – UKPN Response

No	Question	UKPN Response	NGESO comments
1	Do you agree with the approach taken in the proposal? Please provide rationale.	In principle we agree with the approach being taken, and welcome NGESO giving DER commercial opportunity ahead of being curtailed via the alternative uncompensated Emergency Instruction. We also welcome the improved coordination with the DNO afforded by this offering. A greater level of visibility and coordination of services within distribution networks has been something that we have been looking for some time now. However, we do believe that more can be done in this area and would also ask that in addition to the visibility of this particular service, that DNOs are also provided with visibility of other ancillary services that DER are participating in, and for this scenario specifically those that are likely to interact or be requested at the same time e.g. frequency response, balancing services, etc. Ideally these datasets should be provided and updated on a regular basis to ensure that networks continue to be managed efficiently. The need for such datasets transcends this particular scenario and as such can have much wider benefits if provisioned for. With the present arrangement, when assessing the weekly contracted list we are having to assume the ODFM contracted DERs are the only things being instructed at one time. Whilst we understand the rationale for discounting ANM customers at the outset, we believe more can be done to give these customers equal opportunity to participate, thereby ensuring a level playing field is established. We would like to work with these customers and NGESO to develop a means by which this can be achieved. As such we believe this particular clause should be modified to allow for such an approach to be evolved. In addition, it should also be noted that without the requisite DNO interactions, generators that are not part of an ANM scheme that sit behind the same GSP will provide a negated response (i.e. a reduced MW delta in comparison to generator response) at the exit point if ANM generators were being suppressed prior to activating the ODFM service.	ESO agree that sharing of data is a good thing and we think that ODFM has showed our willingness to support these where the service terms enable this. UKPN are involved in the wider piece of work to how we update our wider balancing service terms to enable such sharing of information. We will continue improving on this as part of Reserve Reform. The original roll-out of the ODFM service included a clause to limit participation from those providers directly connected to ANM to ensure that the service design remained simple and scalable. Due to the criticality of the service as a result of the recent national reduction in demand, the ESO required a high level of certainty for service delivery. Now that the initial processes, coordination activities and overall service design have been proven, we are keen to ensure a level playing field for all parties so are initiating a series of workshops to review this particular clause. We would therefore welcome the opportunity to discuss potential service improvements in the coming weeks. We recognise that each DNO area varies in terms of ANM participation and systems' complexity, so we intend to work with all parties, including DNOs, to find a resolution that works on a national basis whilst accounting for regional differences.

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2	Do you have any comments on the proposal letter?	The letter summarises the issue well, but could better summarise the detail of the proposed changes/updates to EBGL, as highlighted in Q3 below.	
3	**Annex 1**: Do you have any comments on the highlighted mapping for ODFM service?	We are unable to comment in detail on the highlighted mapping, as the level of work required to complete an in-depth review is not achievable in the given timescales. It would be useful if NGESO could provide a summarised position on the implications of these obligations on providers and/or network operators.	Thank you for your comments. ODFM has had to be developed quickly and has been introduced just for a short period and this means timescales have been a challenge for all. We appreciate that there is work involved in reviewing these but we have followed the EBGL guidance on consulting for a period of not less than one month. EBGL requires us to consult on the following types of terms and conditions and the mapping highlights where these can be found: 1) provide details on the requirement for the service in order for providers and/or network operators to know when the service is required. 2) Rules for prequalification will provide guidance on how providers can participate. 3) Data required for TSOs and DSOs will ensure the necessary information is shared. Settlement rules inform providers on terms to follow.

4	Do you have any other comments in relation to the proposal?	Given the data NGESO receive from DNOs via the Appendix G process, and the data that NGESO submit for this service, it would be useful for this data to be cross checked by NGESO as the information we receive weekly on who is being contracted is not 100% accurate e.g. we have received sites that are in other DNOs' areas or in the wrong license area in UKPN. Given the short time frames that we are working to, this can be managed for now but needs to be corrected going forward if we are looking at similar services being in place in the future. We would also like to raise the following questions: a. What is the process agreed between NGESO and Ofgem for ODFM? Is this a new regulatory arrangement under the Whole System Licence condition? b. How has NGESO calculated the prices and contracted for the services across all DNO licence areas?	Note the data which is submitted by participants is the data ESO use to share with DNO. It is not feasible to cross check all data submitted. Under our tendered services it is always the parties' responsibility to ensure their data is accurate. We are mindful that we have seen a huge volume of companies who have never participated in balancing services before and taking this into consideration we believe the minor discrepancies in data is reasonable given the number of submission ES is receiving. a) ODFM is a balancing service, we will apply the usual considerations in accordance with our licence obligation, particularly C16, when instructing/dispatching the services and as a balancing service costs will be recovered through BSUoS. b) Please note that our assessment principles are published in the market information reports here. ODFM is a national service and the only consideration on location of a unit relates to whether the network (transmission or distribution) is constrained in such a way that service delivery would not be possible. [step 1 of the assessment principles] We have worked with the DNOs to ensure a process is in place whereby they can identify any units for which delivering the service would impact the safety and security of their network. As our assessment principles outline, any units which are identified as part of this process are immediately rejected. The rest of the assessment does not consider anything relating to DNO license areas.

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