National Grid ESO
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nationalgridESO

Electron ODFM Terms and Conditions Consultation – Response

No	Question	Response	
1	Do you agree with the approach taken in the proposal? Please provide rationale.	Electron recognises the need for a short term service that enables ESO access to flexibility from non-traditional assets. However, in recognition of the ESO's goal of operating a Net Zero Grid by 2025, there remains a need for a long term, enduring solution, to bring small, distribution connected assets into the Balancing Mechanism, in a way that does not conflict with the needs of the DSOs; this need will endure past Covid conditions. Electron believes modifications to ODFM are needed to better allow for this continuity, and with particular reference to the participation of smaller, flexible assets. We expand on this in our response below to question 4.	We will use the feedback, seek further comments from the market and 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.
2	Do you have any comments on the proposal letter?	No	
3	**Annex 1**: Do you have any comments on the highlighted mapping for ODFM service?	We ask that Article 18.4.a referencing ODFM General Terms and Conditions Section 7 be examined with the lens of enabling back to back agreements with aggregated units and aggregation platforms.	

4	Do you have any other comments in relation to the proposal?	ODFM represents an opportunity for the start of a transition for smaller flexible assets into BM requirements. However, the ODFM still presents barriers to participation of smaller aggregated assets (e.g., different technology types) and may affect the transition and progress of the ESO's Wider Access objectives. A few immediate modifications would reduce some of the barriers faced by smaller assets: • allow for the aggregation of smaller units and different technology types (sub 1 MW) at GSP or GSP group through a neutral intermediary • relax reporting rules around asset level data for reporting and settlement, allowing aggregated units to provide this at the GSP level rather than the asset level In the longer term, we believe this could provide a transition towards the improved integration of all assets into the BM, or by other appropriate vehicles. This raises the following requirements around: • • the inclusion of assets behind flexible connection agreements/ANM zones by integrating with distribution-level network data. Assets in unconstrained ANM zones are currently excluded from the ODFM service but may provide benefit when the zone itself is unconstrained. • • Providing a communications infrastructure that integrates with aggregated assets – currently the ESO uses email or telephone, but an API may be more appropriate • • Relaxing the requirements around exclusivity of assets over long periods of time. The terms of the ODFM require the participant to hold the ESO harmless from third party claims. Some of these potential	• Aggregation is permitted under the ODFM service but is restricted to GSP level. Parties are able to sign up as an applicant or agent allowing entities to act on behalf of others. The minimum contract unit size is 1MW and this aligns with our other services, assets are permitted to be less than 1MW individually but must be 1MW or above for a contracted unit ID. • ESO do not believe relaxing these requirements would be in the best interest of the market or end consumer. In order for ESO to have confidence in the delivery and performance monitoring of units it is important that we have the correct level of metering visibility. The granularity at MPAN level is required in order to keep participants whole under the ABSVD process. • 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,

		claims could come from industry participants that are affected by the ESO instructing assets. To reduce this risk, exclusivity requirements are reducing the potential pool of flexible assets which can provide multiple services and leading to the reluctance of some technology types, such as batteries, in participating in the ODFM service. The development of these services is likely to require an iterative, agile approach rather than a strict set of rules. We congratulate the ESO on the speed and flexibility taken in this approach, and we hope the ESO will continue to use this opportunity explore a continued commitment to wider competition in system optimisation markets.	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. • Under our Wider Access workstream ESO have introduced an API for both instructions and data submission. For parties who are not progressing BM wider access ESO have introduced our PAS platform that offers a web-based interface for dispatch, metering and availability. ODFM has a limited lifespan and due to the timeframes associated with implanting the service

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			it was not possible to implement this across those technology platforms. Our wider roadmap developments are aligned for increased automation. • ESO take this point on board. Based on wider industry feedback and the volume that has signed up to date ESO do not believe this is a substantial blocker and is a warranted change for the remaining period of the service. • ESO are in agreement that an agile approach is required for future service developments associated with our roadmap commitments. However, we recognise that it is important for our services to have a clear and concise set of contract terms for parties to follow to ensure a transparent and fair market.