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

RES UK and Ireland Limited ODFM Terms and Conditions Consultation – Response Proforma

No	Question	Response	
1	Do you agree with the approach taken in the proposal? Please provide rationale.	Yes	
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?	No comments.	

4	Do you have any other comments in relation to the proposal?	The binary nature of the terms surrounding service delivery as set out in sections 7.2 and 7.3 of the ODFM Service Terms, as currently drafted, is likely to disincentivise participation. Under the current terms, a period of ODFM service delivery is invalidated in its in entirety in the event that a generator fails to adhere to all aspects of the service requirements. This includes adherence to the detail of ramping down and up at the beginning and end of each window of service. In reality, there is likely to be significant value to NGESO of an ODFM service that is materially delivered, particularly if sustained through the middle section of the required service window. It therefore seems unreasonable to apply a rule of "all or nothing" given that many of the generators seeking to participate in ODFM were not designed to be dynamically operated at short notice as a matter of routine. Section 7 should be revisited and revised to permit reward for ODFM service that is substantially delivered and to ensure that draconian penalties, such as withholding of all payment for deviations from generator ramp up and ramp down parameters, are not applied.	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 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.