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

Limejump ODFM Terms and Conditions Consultation – Response

No	Question	Response	NGESO Comments
1	Do you agree with the approach taken in the proposal? Please provide rationale.	Yes, mapping makes sense.	
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?	It is useful to have this information in one place however, is not fair to draw comparison between ODFM providers and providers of other balancing services, more detail below.	Thank you for your comments, we agree that each service is different.

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4	Do you have any other comments in relation to the proposal?	• Overall feedback from Limejump is NGESO has done well under difficult conditions to implement ODFM. • As an aggregator Limejump would like to highlight to NGESO that the owners of assets that provide ODFM are less operationally involved than owners of flexible assets in the BM. key differences are; ◦ They do not have a detailed understanding of the dynamic data of their assets. ◦ They often have no means of controlling the assets remotely and so an an engineer needs to travel to site when they receive an ODFM instruction. ◦ The control systems are often relatively primitive and untested. ◦ It is less common to have easy access live metering of assets. • One key area that this has had an impact on our ODFM portfolio is around Ramp Rate penalties. As a result of the uncertainty, many customers have provided overly conservative ramp rates to mitigate the risk of penalties. Other customers have been more risk averse and held back from submitting otherwise ready assets for ODFM.	Aggregated units are eligible to participate in the ODFM market although this is currently restricted to GSP. We will continue to address wider barriers to market access through Wider Access and our other market reform work. 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

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			delivered as per their instructed volume. This should encourage parties to continue to deliver where possible even if they experience ramping challenges.