



# Dynamic Containment EBGL Consultation Overview 18.02.2021

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# Overview

- On 3 December 2020, we [published](#) our Dynamic Containment (DC) soft launch development document that outlines the waves of work associated with DC soft launch and our plans to make early developments to DC by running a consultation which is aligned with the STOR EBGL consultation.
- From the Dynamic Containment soft launch learning by doing philosophy, we are seeking to act upon industry feedback around some early developments to move the service forward. This should unlock additional capacity and improve the provider experience for delivery of the DC service as we transition through Wave 1.
- This slide pack outlines the high-level changes we have made as part of the consultation responses we received and the timeline we have followed. For clarity, no changes to the EBGL Article 18 mapping are proposed as part of this consultation for Dynamic Containment. These key topics are:
  - Tendering
  - Performance Monitoring
  - Testing
  - General Clarifications

# Tendering

Consolidated early industry feedback opportunities	Topic	Changes made as result of the consultation
<ul style="list-style-type: none"> <li>Parties would value additional flexibility in being able to adjust the MW volume on a daily basis as well as price and withdraw. This would prevent ESO from losing sites full capacity if a proportion of the volume was unavailable.</li> <li>Request for ESO to adopt a pragmatic approach around ANM/flexible connection schemes for assets that are forecasted very high availability to inform future decision points on ANM participation.</li> <li>Additional time in the DC Market Window to support parties whilst tendering is a manual process.</li> </ul>	Tendering process	Adjust tendering rules to allow parties to adjust their MW volumes on a daily basis in addition to price and withdrawing.
	Tendering process	Widening the DC Market Window to support parties running their processes whilst tendering is still manual. Proposal to extend from 07:00-10:00 to D-1 15:00 – 10:00.
	Transitional Arrangement update	Increasing the 50MW unit cap to 100MW to prevent restricting access for larger assets.
	Participation	Review the ability for ANM constrained assets to participate in the service on a review and approval basis. ESO sees the value in not losing access to volumes that are on such schemes which have very high forecasted availability. Approval on a case by case basis following an evidence based approach.

# Performance Monitoring

Consolidated early industry feedback opportunities	ESO comment	Changes made as result of the consultation
<ul style="list-style-type: none"> <li>Weekly penalty is severe against a daily awarded contract. Can create unintended consequences of parties not tendering in for future days if they know they have failed.</li> <li>Adjustments may be required to facilitate the procurement of HF and asymmetric volumes.</li> <li>Performance monitoring tolerances are challenging.</li> <li>Impact of losing entire contract payments for a 1 x 50 millisecond power spike/error.</li> <li>Being penalised for delivering too quickly.</li> <li>Ability to offer an embedding/learning period as parties transition into DC service.</li> </ul>	<p>ESO recognise the unintended consequences created by a weekly penalty. We believe this change is a positive step to finding the correct balance of performance penalties.</p>	<p>Amend weekly penalty to apply daily.</p>
	<p>In anticipation of procuring the HF element under Wave 2, ESO see value in amending the terms to ensure this functions as intended contractually.</p>	<p>Adjust formulas to accommodate asymmetric separate HF and LF. Delivery error values/tolerances.</p>
	<p>Discussions outline the importance a 1 x 50 millisecond value can have on an assets earnings. ESO are keen to find a pragmatic approach to offer support on this topic.</p>	<p>Introducing a min error duration before penalties apply. Proposed change to a rolling minimum error calculation of 0.2 seconds.</p>
	<p>Min lag time was intended to guide parties on how to measure frequency but unintentionally has lead to parties programming in a delay and this seeks to offer some room for error around delivery as feedback shows this is challenging.</p>	<p>Creating a tolerance for the minimum lag time in the performance rules. Proposed tolerance of 0.05 seconds.</p>

# Testing

Consolidated early industry feedback opportunities	Testing Guidance page	Changes made as result of the consultation
<ul style="list-style-type: none"> <li>• Low power tolerances do not align with the performance monitoring rules in the service terms. This creates significant challenges around passing low power tolerance tests.</li> <li>• General challenges around testing timescales and processes.</li> <li>• Testing tool modifications required.</li> </ul>	General	The tests have remained the same, but the assessment criteria and analysis tool have been updated to reflect performance monitoring proposals.
	6	Pass Criteria for Test 1 amended. Reference to Figure 4 removed. Wording added to clarify Standard Deviation and initial overshoot.
	7	Table 3. Tolerances ‘% of Maximum Contracted’ instead of ‘Expected’.
	8	Figure 3 updated with tolerance bands which now align with performance monitoring. Figure 4 removed.
	10, 11	Graphs updated with tolerance bands which align with performance monitoring.
	11	Table 5. Tolerances now ‘% of Maximum Contracted’ instead of ‘Expected’.
	17	Added rows in Table 8 to clarify Measured Frequency to 0.001Hz accuracy.
	18	Added note on Measured frequency for test 4 to 3 decimal places.
	21	Table 1 in ITE report removed. This is no longer needed as replaced with performance monitoring tolerance bands. Pass criteria in Test Result section updated to align amendments above. Sample graphs have been updated.

# Testing

Analysis Tool user guide	Changes made as result of the consultation
General	All sample graphs updated.
8	Test 1 delivery now assessed against performance monitoring criteria. Initial delivery delay now 0.2s-0.5s. Dotted lines have been added to the 'zoom' graphs to reflect the required delivery time for each frequency deviation.
10	Guidance for Test 4 graph updated.

# Testing

Testing Analysis Tool	Changes made as result of the consultation
General	Sample Data updated to a new set.
Test 1 Main	Test 1 delivery now assessed against performance monitoring criteria. Standard Deviation calculation formula in table fixed.
Test 1.1 - Test 1.4	Test 1 delivery now assessed against performance monitoring criteria. Graphs updated.
Test 1.5 - Test 1.14	Test 1 delivery now assessed against performance monitoring criteria. Graphs updated. Initial delivery delay now 0.2s-0.5s. Full delivery now as per performance monitoring requirements.
Test 2.1, Test 2.2	Test 2 delivery now assessed against performance monitoring criteria. Graphs updated. Removed several graphs as no longer required.
Test 4	Test 4 delivery now assessed against performance monitoring. Graph updated.



# General Clarifications

Industry queries and provider onboarding to date have flagged a number of clarifications we are proposing in the service terms to provide additional guidance and information about the DC service.

Topic	Changes made as result of the consultation
Data	Clarity around how to declare availability through the new data streams when ESO are procuring both HF and LF service. Proposal to implement two separate data points for availability, one for LF and one for HF for both operational and performance data purposes to ensure alignment.
Baselines	Clarification of the baseline rule for energy limited providers. Additional detail on what the ramp rates are for those parties and how the baseline ramp rates calculated work for LF, HF and both.
BM Stacking	Additional clarity regarding ramp rate limits and general guidance when parties stack BM actions.

# Other changes made as result of stakeholder feedback or for clarification purposes\*

Topic	Change	Justification
Tolerances	In Schedule 2 “Lag lower bound tolerance” and “Lag upper bound tolerance” we have added a tolerance of 0.05s to both these values.	Alignment between the Testing tool and the Service Terms.
Service Terms – Service Parameter	Various Service Parameters terms and their descriptions have been updated	To provide better clarity of what the terms mean and align with the formula they appear
Service Terms – Schedule 2	The formulas have been updated and simplified	To make it clearer how the calculations are made
DC Guidance Document	We have expanded the Guidance Document wording around the service parameters to provide a narrative explanation to supplement the formulae in the service terms.	To provide clarification.
Testing Guidelines document	<ul style="list-style-type: none"> <li>• Pass criteria for Test 1 amended to clarify Tests 1.1 to 1.4.</li> <li>• 51.1Hz and 49.9Hz (formerly Test 1.5 and 1.6) step test have been removed</li> </ul> <p><b>Note:</b> remaining step tests have been re-named to 1.1-1.12</p> <ul style="list-style-type: none"> <li>• Standard Deviation requirement has been removed from Test 1 and replaced with tolerance bands in line with performance monitoring.</li> <li>• Delay and delivery timescale criteria included in line with ITE report template.</li> </ul>	To provide clarification of the testing requirements and to align with Performance Monitoring.

\*Please refer to our marked change documents for the specific changes that have been made in reference to previous versions

# Other changes made as result of stakeholder feedback or for clarification purposes\*

Topic	Change	Justification
Testing Guidelines document – Test 1	Tables/Figures have been updated	To include revised test requirements.
Testing Guidelines document - Appendix E	Test 1 criteria. Graphs updated.	To provide alignment with other changes
DC Testing Analysis Tool- Test 1 Main	<ul style="list-style-type: none"> <li>Removed Standard Deviation from the table</li> <li>Updated table, graphs and sample data</li> </ul>	<ul style="list-style-type: none"> <li>As per removal in the guidance</li> <li>To reflect removal of 51.1Hz and 49.9Hz step tests</li> </ul>
DC Testing Analysis Tool - Test 1.5-1.12	<ul style="list-style-type: none"> <li>Realigned names after removing of 51.1Hz and 49.9Hz step tests</li> <li>Changed colour lines from green/grey to a darker green/pink</li> <li>Delay tolerance now 0.2s to 0.55s</li> </ul>	<ul style="list-style-type: none"> <li>To provide alignment with other changes</li> <li>To provide clarity</li> <li>To provide alignment with other changes</li> </ul>
DC Testing Analysis Tool - Test 1.13 and 1.14	Removed Tabs for Test 1.13 and 1.14	These became redundant after removal of 51.1 and 49.9Hz tests and the following re-naming.
DC Glossary	We have tweaked the definition for Working Day to include Good Friday as a Non-Working Day	To provide clarification

\*Please refer to our marked change documents for the specific changes that have been made in reference to previous versions

# Other changes made as result of stakeholder feedback or for clarification purposes\*

Topic	Change	Justification
DC Glossary	We have updated the definition of 'Insolvency Event'	We note the comment that the increase in the statutory £750 to £250,000 (inability to pay debts threshold) applies only to NGESO, and we agree to make this reciprocal.
DC General Terms and Conditions	We have updated para 4.5	Para 4.5 of the GTCs places a discretion on NGESO to refuse to make a revision to a monthly statement where calculations or amounts falling due require to be corrected, NGESO proposes to amend the provision so that NGESO will make the revision subject only to verification.
DC General Terms and Conditions	We have updated para 5.1	To make clear that the proviso applies to both 5.1.1 and 5.1.2 and not just 5.1.2.
DC Participation Guidance	We have updated the wording in the table on pg 4	The wording has been updated in the Provider and NGESO columns under 'Initial Registration of Eligible Assets' to provide clarity.
Testing Guidelines	The footnote on Table 3 has been updated	The wording has been updated to provide clarification
Titles of documents	All document titles have been aligned.	ESO acknowledge there was some mismatch in document naming or titles and recognise the importance of this for the mapping purposes. "Testing Guidelines" has been updated in the Glossary to "Testing Documents" and defines the different documents referred to. This has also been updated throughout the documents.

\*Please refer to our marked change documents for the specific changes that have been made in reference to previous versions

# EBGL Consultation timeline

Article 18 consultation asks industry for feedback on how the Terms and Conditions will work before submission to OFGEM. Note it is anticipated approval for DC and STOR will be made on different dates.

EBGL Article 18 Consultation	Date
Launch Article 18 consultation	17/12/2020
Article 18 consultation closes <i>(1 month + 1 week over Christmas)</i>	21/01/2021
Submit DC updated Article 18 docs to OFGEM	03/02/2021
OFGEM approve EBGL Art 18	17/02/2021
T&C's Effective	02/03/2021

# Next steps

- Following Ofgem's approval we will go live with the changes we have made as result of the consultation. Providers will be communicated with as to when we expect this to be.

