

Optional Downward Flexibility Management (ODFM) Service Terms

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1.0	04/05/20		
2.0	27/05/20	Deadline for submission of Availability Declarations brought forward to 1500 hours on Wednesday (paragraph 5.3iv)	4
3.0	06/07/20	Introduction of 10% tolerance on service delivery (paragraph 6.3iii) Introduction of further requirements on Ramping Rates (paragraphs 6.5 and 7.3) Service end date amended 14.3	5, 6, 7,10 & 14.
4.0	[]	[]	[]

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1. Introduction

- 1.1 These **ODFM Service Terms** shall apply to each **Registered Service Provider** who has been registered by **NGESO** as a **Registered ODFM Participant**, and with respect to each **Eligible Asset** registered by that **Registered ODFM Participant** for use in the procurement by **NGESO** of **Optional Downward Flexibility Management** in accordance with the **Optional Downward Flexibility Management Guidance Document**.
- 1.2 Each **Registered ODFM Participant** is referred to in these **ODFM Service Terms** as a “**Service Provider**”, and each such registered **Eligible Asset** may be allocated (either singly or in conjunction with one or more other **Eligible Assets**) to a **Contracted Unit** in accordance with the **Optional Downward Flexibility Management Guidance Document**.
- 1.3 **Optional Downward Flexibility Management** may be delivered from a **Contracted Unit** as either **Output Curtailment** or **Demand Turn Up**, in each case by reference to a **Registered Service Volume**, as notified by the **Service Provider** to **NGESO** in accordance with the **Optional Downward Flexibility Management Guidance Document**.

2. Changes to these ODFM Service Terms

- 2.1 Subject always to paragraph 2.2, **NGESO** may update these **ODFM Service Terms** from time to time by publication of an updated version on **NGESO**'s website, and each such updated version shall be effective from the date shown on its front cover provided always that (unless required by **Law**) any updated version shall only apply with respect to any **Service Week** if published prior to the deadline for submission of **Weekly Availability Declarations** with respect to that **Service Week** as set out in these **ODFM Service Terms**.
- 2.2 To the extent required by the **Electricity Balancing Guidelines** (and by reference to those provisions of the **Optional Downward Flexibility Management Documents** constituting terms and conditions approved by the **Authority** as the terms and conditions related to balancing pursuant to Article 18 of the **Electricity Balancing Guidelines**), any variation to these **ODFM Service Terms** will be proposed and implemented in accordance with the applicable requirements in the **Electricity Balancing Guidelines**.

3. ODFM General Terms and Conditions and ODFM Glossary of Terms and Rules of Interpretation

- 3.1 These **ODFM Service Terms** are subject to the prevailing **ODFM General Terms and Conditions** published by **NGESO** alongside these **ODFM Service Terms**.
- 3.2 Unless the context otherwise requires, any capitalised term used in these **ODFM Service Terms** shall have the meaning given to it (if any) in the prevailing **ODFM Glossary of Terms and Rules of Interpretation** published by **NGESO** alongside these **ODFM Service Terms**, and the rules of interpretation set out in that document shall also apply.

4. Warranty

- 4.1 The **Service Provider** warrants and undertakes to **NGESO** that any **Eligible Asset** from time to time forming a part of a **Contracted Unit** will not be **BM Participating** at any time during any period of availability of **Output Curtailment** or **Demand Turn Up** (as the case may be) from that **Contracted Unit** shown in an **ODFM Declaration**.

5. Service Availability

- 5.1 Subject always to paragraphs 5.2 and 5.2, and having regard to paragraph 5.6, a **Service Provider** may offer to provide **Optional Downward Flexibility Management** to **NGESO** by indicating to **NGESO** in the form set out or referred to in the **Optional Downward Flexibility Management Guidance Document** (“**Weekly Availability Declaration**”), for any of its **Contracted Units**:-
- whether or not it is available in each **Settlement Period** in a **Trading Day** to provide the **Registered Service Volume** as **Output Curtailment** or **Demand Turn Up** (as the case may be);
 - for each such period of availability, a single MW value (which for the avoidance of doubt shall not vary across **Settlement Periods**); and
 - its offered **Service Fee** (in £/MW/h) for such availability.

- 5.2 Until such time as a properly completed **Weekly Availability Declaration** is submitted by the **Service Provider** pursuant to paragraph 5.1, the **Service Provider** shall be deemed to have offered **Optional Downward Flexibility Management** to **NGESO** in each **Trading Day** in accordance with any default **Weekly Availability Declaration** which may be agreed between the **Parties** for such purpose in accordance with the **Optional Downward Flexibility Management Guidance Document**.
- 5.3 Where at any time the **Service Provider** wishes to change the availability of the **Contracted Unit** to provide the **Registered Service Volume** (whether to declare availability in a **Settlement Period(s)** previously declared unavailable or vice versa) and/or wishes to change the offered **Service Fee**, as shown respectively in the **Weekly Availability Declaration** (or revised **Weekly Availability Declaration**) or any **Availability Withdrawal Declaration**, then (without prejudice to the obligation to submit an **Availability Withdrawal Declaration** where applicable pursuant to paragraph 5.5) it may do so by submitting a revised **Weekly Availability Declaration** in accordance with paragraph 5.4. For the avoidance of doubt, it is not possible to declare the **Registered Service Volume** partially available in any **Settlement Period(s)**.
- 5.4 All **Weekly Availability Declarations** (including revised **Weekly Availability Declarations**) shall:-
- be submitted by email in accordance with paragraph 13.2;
 - include all associated data as required by **NGESO** in the **Optional Downward Flexibility Management Guidance Document**;
 - apply with effect from the start of the following **Service Week** commencing 23.00 hours on Friday, but if submitted later than 15.00 hours on the previous Wednesday shall not apply until the start of the next following **Service Week** which follows that unless otherwise be permitted by notification from **NGESO** by email; and
 - continue to apply on a rolling basis to all subsequent **Trading Periods** unless and until replaced by a properly completed and validly submitted revised **Weekly Availability Declaration** or **Day Ahead Price Redeclaration** or **Availability Withdrawal Declaration**.
- 5.5 Where the **Service Provider** becomes aware that any **Contracted Unit** (including any component **Eligible Asset**) has or will become unable (for whatever reason) to provide the **Registered Service Volume** (either all or part) as **Output Curtailment** or **Demand Turn Up** (as the case may be) in all or any part of any **Offered Service Period**, then it shall promptly submit an **Availability Withdrawal Declaration** for that **Contracted Unit** to indicate the affected **Settlement Period(s)** in which availability is withdrawn, provided always that where the **Service Provider** becomes so aware after submission by **NGESO** of a **Service Instruction** then paragraph 6.3iv shall apply. For the avoidance of doubt, it is not possible to declare the **Registered Service Volume** partially available in any **Settlement Period(s)**, and accordingly any partial unavailability shall require withdrawal of availability of the entire **Registered Service Volume**.
- 5.6 For the purposes of paragraphs 5.5 and 6.3iv, the circumstances where a **Contracted Unit** shall be deemed to be unable to provide **Optional Downward Flexibility Management** shall include (without limitation):-
- in the case of **Output Curtailment**, where the aggregate **Output** of the **Contracted Unit** is reasonably expected to be zero due to planned or unplanned outage of **Plant** and **Equipment**;
 - in the case of **Output Curtailment**, except where the **Contracted Unit** comprises an **Intermittent Renewable Power Station**, where the aggregate **Output** of the **Contracted Unit** is reasonably expected to be below the **Registered Service Volume**;
 - in the case of **Output Curtailment**, where the aggregate **Output** of the **Contracted Unit** can only be partially curtailed;
 - in the case of **Demand Turn Up**, where the "headroom" between **Maximum Import Capability** and actual **Demand** is reasonably expected to be less than the **Registered Service Volume** (subject to a +/- 10% tolerance); and
 - in the case of **Output Curtailment** or **Demand Turn Up**, where delivery of **Optional Downward Flexibility Management** would reasonably be expected to be impaired or otherwise prejudiced by the **Service Provider's** performance of any agreement with a third party for flexibility or other services or by delivery by the **Service Provider** of any other **Balancing Service** which is inconsistent or otherwise in

conflict with the delivery of **Optional Downward Flexibility Management**, as more particularly described in paragraphs 12.1 and 12.5.

- 5.7 Each **Availability Withdrawal Declaration** submitted pursuant to paragraph 5.5 shall:-
- be submitted by email in accordance with paragraph 13.2;
 - include all associated data as required by **NGESO** in the **Optional Downward Flexibility Management Guidance Document**;
 - apply to each successive **Service Week** on a rolling basis unless and until replaced by a subsequent properly completed and validly submitted revised **Weekly Availability Declaration** or **Availability Withdrawal Declaration**; and
 - apply with immediate effect.
- 5.8 Where **NGESO** has reasonable grounds for believing that a **Contracted Unit** is unable to provide **Output Curtailment** or **Demand Turn Up** (as the case may be) in accordance with its **Weekly Availability Declaration** (including any revised **Weekly Availability Declaration**) or any subsequent **Availability Withdrawal Declaration**, then notwithstanding that the **Service Provider** shall not have resubmitted an **Availability Withdrawal Declaration** in accordance with paragraph 5.5 or notified **NGESO** in accordance with paragraph 6.3iv (as the case may be), and for the purposes of paragraph 7, the **Contracted Unit** shall be deemed to be unavailable to deliver **Optional Downward Flexibility Management** for the entirety of the **Offered Service Period** in question (including any part thereof prior to the commencement of unavailability).
- 5.9 Where the **Service Provider** wishes to revise its offered **Service Fee** for **Trading Days** specified in the prevailing **Weekly Availability Declaration** (or revised **Weekly Availability Declaration**) or **Availability Withdrawal Declaration**, then it may do so by submitting a **Day Ahead Price Redeclaration**.
- 5.10 Each **Day Ahead Price Redeclaration** shall:-
- be submitted by email in accordance with paragraph 13.2;
 - include all associated data as required by **NGESO** in the **Optional Downward Flexibility Management Guidance Document**;
 - apply with effect from the start of the following **Trading Day** (TD) (but if submitted later than 09.00 hours on the immediately preceding **Trading Day** (TD-1) then it shall not apply until the start of the next following **Trading Day** after that (TD+1) unless otherwise be permitted by notification from **NGESO** by email;
 - continue to apply on a rolling basis to all subsequent **Trading Periods** unless and until replaced by a subsequent properly completed and validly submitted revised **Weekly Availability Declaration** or **Day Ahead Price Redeclaration**; and
 - be superseded by, and upon the coming into effect of, any conflicting **Weekly Availability Declaration** which, at the time such **Day Ahead Price Redeclaration** comes into effect, has been submitted but not yet come into effect.
- 5.11 In these **OFDM Service Terms** the prevailing continuous periods of availability of a **Contracted Unit** to provide the **Registered Service Volume** as **Output Curtailment** or **Demand Turn-Up** (as the case may be), whether declared in a **Weekly Availability Declaration** (or revised **Weekly Availability Declaration**) or **Availability Withdrawal Declaration** or **Day Ahead Price Redeclaration**, are referred to as "**Offered Service Periods**" unless the content otherwise requires.
- 5.12 The registration of **Eligible Assets** to a **Contracted Unit** may not be changed so as to be effective during any **Instructed Service Period**.
6. **Service Delivery**
- 6.1 In respect of any one or more consecutive **Settlement Periods** falling in any **Offered Service Period**, **NGESO** may indicate to the **Service Provider**, in accordance with paragraph 6.2, that it requires the **Contracted Unit** to provide **Output Curtailment** or **Demand Turn Up** (as the case may be).

- 6.2 Each notification from **NGESO** pursuant to paragraph 6.1 (a “**Service Instruction**”) shall:-
- i. be submitted by email in accordance with paragraph 13.2;
 - ii. be given to the **Service Provider** at or about 18.00 hours (and **NGESO** shall use reasonable endeavours to do so sooner) on the **Trading Day** prior to that in which the **Offered Service Period** falls; and
 - iii. specify the **Settlement Periods** over which the **Output Curtailment** or **Demand Turn Up** is required (“the **Instructed Service Period**”), which shall be a consecutive period not shorter than three (3) hours.
- 6.3 Following submission by **NGESO** of a **Service Instruction**, the **Service Provider** shall:
- i. acknowledge the **Service Instruction** by email to **NGESO** in accordance with paragraph 13.2 (in such format as **NGESO** may specify from time to time) within sixty (60) minutes of receipt by way of confirmation that it will respond accordingly;
 - ii. subject always to iii and iv below, procure that:-
 1. in the case of **Output Curtailment**, the instantaneous values of aggregate **Output** of the **Contracted Unit** during each **Settlement Period** in the **Instructed Service Period** do not at any time exceed zero MW (subject to a +/- 10% tolerance), save for reasons relating to the safety of persons or the **Service Provider’s Plant and Equipment**; or
 2. in the case of **Demand Turn Up**, the aggregate **Demand** of the **Contracted Unit** at the start of the **Instructed Service Period** represents an increase in aggregate **Demand** of the **Contracted Unit** of at least the **Registered Service Volume** (relative to the average aggregate **Demand** over the two **Settlement Periods** immediately prior to the **Instructed Service Period**), and must be maintained at not less than such increased level (subject to a +/- 10% tolerance) throughout the **Instructed Service Period**, save for reasons relating to the safety of persons or the **Service Provider’s Plant and Equipment**;
 - iii. the **Instructed Service Period** shall include the minimum period of time (if any) that the **Contracted Unit** takes to ramp up and ramp down, and accordingly the aggregate **Output** or **Demand** (as the case may be) during the **Instructed Service Period** required pursuant to ii above shall be expected to deviate consistently with the **Ramping Rates** (but not otherwise);
 - iv. without prejudice to its obligations under paragraph 5.5, notify **NGESO** by telephone, and confirm promptly thereafter by email (in such format as **NGESO** may specify from time to time), in each case in accordance with paragraph 13.2, if it reasonably expects or becomes aware that during all or any part of any **Settlement Period(s)** in the **Instructed Service Period** the **Contracted Unit** is or will be unable (for whatever reason) to provide **Optional Downward Flexibility Management**, whereupon the **Contracted Unit** shall be deemed to be unavailable to deliver **Optional Downward Flexibility Management** for the entirety of the **Instructed Service Period** in question (including any part thereof prior to the time of the **Service’s Provider’s** notification to **NGESO**).
- 6.4 Where the **Service Provider** has either:-
- i. been unable to indicate in its acknowledgement of a **Service Instruction** pursuant to paragraph 6.3i that it will be responding in accordance with that **Service Instruction**; or
 - ii. given such indication but has subsequently notified **NGESO** pursuant to paragraph 6.3iv of its inability to provide **Optional Downward Flexibility Management**,
- then it shall promptly submit an **Availability Withdrawal Declaration** for that **Contracted Unit** to indicate unavailability of **Optional Downward Flexibility Management** for the entire **Instructed Service Period** in question and also (as applicable) for the remainder of the **Offered Service Period** in question and for any other **Offered Service Period**.
- 6.5 With respect to **Ramping Rates**:-

- i. the **Service Provider** shall procure that the **Ramping Rates** at all times reflect the true operating characteristics of the relevant **Eligible Asset(s)** and its best estimate of the time taken (using all reasonable endeavours to minimise the same) to initiate the change in level of **Output** or **Demand** in response to a **Service Instruction**;
- ii. for the purposes of paragraphs 7.3i2 and ii2, the **Ramping Rates** (to the extent comprising the time taken to initiate the change in level of **Output** or **Demand**) shall be extended by any “fallback” instruction processing time which may be notified by the **Service Provider** to **NGESO** in accordance with the **Optional Downward Flexibility Management Guidance Document** in the event the **Service Provider’s** initial initiation of such change in level of **Output** or **Demand** is prevented by failure of **Plant** and **Equipment** beyond the reasonable control of the **Provider** and this is notified in writing to **NGESO** in accordance with the **Optional Downward Flexibility Management Guidance Document**;
- iii. where a **Contracted Unit** is comprised of two or more **Eligible Assets**, **Ramping Rates** for each **Eligible Asset** shall (unless otherwise indicated by **Service Provider** in accordance with the **Optional Downward Flexibility Management Guidance Document**) be assumed to be cumulative and applied consecutively in the order indicated by the **Service Provider** in accordance with the **Optional Downward Flexibility Management Guidance Document** in order to derive the **Ramping Rates** for that **Contracted Unit**; and
- iv. it is **NGESO’s** expectation that, with respect to any **Service Instruction**, the **Service Provider** will not initiate the change in level of **Output** or **Demand** until the start of the **Instructed Service Period**.

7. Service Payments

- 7.1 Subject to paragraphs 7.2 and 7.4 and to the **Service Provider** complying in full with its obligations in respect of **Optional Downward Flexibility Management**, **NGESO** shall pay to the **Service Provider** for each **Instructed Service Period** in the calendar month a **Service Payment**, calculated as follows:-

$$SP = \sum_j^{ISP} (RSV_{CU} * SF_{CU} * 0.5) * F1$$

Where

SP = the **Service Payment** for the **Instructed Service Period**

\sum_j^{ISP} = the summation over each **Settlement Period j** in the **Instructed Service Period**

RSV_{CU} = the **Registered Service Volume** for the **Contracted Unit**

SF_{CU} = the **Service Provider’s** offered **Service Fee** for the **Contracted Unit** prevailing at the time of issue of the **Service Instruction**

$F1$ = 0 where **Optional Downward Flexibility Management** is unavailable or deemed unavailable in any **Settlement Period** from the **Contracted Unit** pursuant to these **ODFM Service Terms**, otherwise 1.

- 7.2 Subject always to paragraph 7.3, the **Service Provider** shall not be entitled to a **Service Payment** for any **Instructed Service Period** pursuant to paragraph 7.1 where, in respect of any one or more **Settlement Periods** in that **Instructed Service Period**, the aggregate **Output** or **Demand** (as the case may be) of the **Contracted Unit** at any time is inconsistent with the level required by paragraphs 6.3ii and 6.3iii above.

- 7.3 Where, in response to a **Service Instruction**:

- i. the required level of **Output** or **Demand** is reached during the **Instructed Service Period** but:-
 1. sooner than implied by the **Ramping Rates**, then that shall be a permitted deviation from the required level of **Output** or **Demand** for the purposes of paragraphs 6.3iii and 7.2; or
 2. later than implied by the **Ramping Rates** (as may be extended in accordance with paragraph 6.5), then the **Service Provider** shall be entitled to a **Service Payment** but **NGESO** may (at its sole discretion) withhold fifty percent (50%) of that portion of the **Service Payment** attributable

to the **Settlement Periods** from and including the start of the **Instructed Service Period** to and including that in which the required level of **Output** or **Demand** is reached.

- ii. the required level of **Output** or **Demand** is reached at the end of the **Instructed Service Period** but ramping commenced:-
 - 1. later than implied by the **Ramping Rates**, then that shall be a permitted deviation from the required level of **Output** or **Demand** for the purposes of paragraphs 6.3iii and 7.2; or
 - 2. sooner than implied by the **Ramping Rates** (as may be extended in accordance with paragraph 6.5), then the **Service Provider** shall be entitled to a **Service Payment** but **NGESO** may (at its sole discretion) withhold fifty percent (50%) of that portion of the **Service Payment** attributable to the **Settlement Periods** from and including that in which ramping commenced to and including the expiry of the **Instructed Service Period**.

7.4 No **Service Payment** shall be made by **NGESO** to the **Service Provider** pursuant to this paragraph 7 in respect of any **Instructed Service Period** to which paragraph 5.7 or 6.3iv applies.

8. Payment Procedure

8.1 For each calendar month in respect of which one or more **Service Instructions** have been given to the **Service Provider**, **NGESO** shall send to the **Service Provider** a **Monthly Statement** setting out its calculation of:-

- i. the **Service Payment** payable to the **Service Provider** pursuant to paragraph 7 in respect of each such **Service Instruction**;
- ii. any adjustments made to previous **Monthly Statements**; and
- iii. the resulting net amount due to (or from, as the case may be) the **Service Provider**,

and in respect thereof the provisions of paragraph 4 (*Payments*) of the **ODFM General Terms and Conditions** shall apply.

9. Grid Code and Distribution Code

9.1 The provision by the **Service Provider** of **Optional Downward Flexibility Management** in accordance with these **ODFM Service Terms** shall not relieve it of any of its obligations or affect such obligations (where applicable) set out in the **Grid Code** (including its obligations (if any) to provide **Mode A Frequency Response** when instructed by **NGESO** pursuant to the **CUSC** and/or the **Grid Code** or to provide **Demand** control when instructed by **NGESO** pursuant to **Grid Code** OC6) or in the **Distribution Code** of its host **Public Distribution System Operator**.

9.2 Without limiting paragraph 9.1, each **Service Provider** that is or becomes a **DRSC Liable User** shall, for the duration of each **Instructed Service Period**, comply in all respects with the **Demand Response Services Code** as it refers to **Demand Response Active Power Control**.

9.3 Further without limiting paragraph 9.1, nothing in these **ODFM Service Terms** shall relieve a **Service Provider** from submitting **Physical Notifications** to **NGESO** with respect to any **Generating Unit** in accordance with the **Grid Code** where it has agreed to do so under any **Bilateral Embedded Licence exemptable Large power station Agreement** (BELLA) to which it may be a party or from any other of its obligations to **NGESO** thereunder.

10. Maintenance of Eligible Assets

The **Service Provider** shall maintain each **Eligible Asset** to such a standard that the **Service Provider** can meet its obligations to provide **Optional Downward Flexibility Management** in accordance with these **ODFM Service Terms**.

11. Third Party Claims

- 11.1 The **Service Provider** undertakes to **NGESO** that the availability and delivery of **Optional Downward Flexibility Management** from any **Contracted Unit** pursuant to and in accordance with these **ODFM Service Terms** will not at any time during any **Instructed Service Period** cause the **Service Provider** to be in breach of or to otherwise be non-compliant with any **Connection Agreement** and/or any agreement for the supply of electricity or related services to or from any constituent **Eligible Asset** or any **Plant** and **Apparatus** associated with it.
- 11.2 Notwithstanding paragraph 11.1, in the event that the **Service Provider** delivers **Optional Downward Flexibility Management** in accordance with these **ODFM Service Terms** in consequence of which **NGESO** suffers or incurs any loss in respect of a claim brought by any third party related to any actual or alleged breach or non-compliance by the **Service Provider** as described in paragraph 11.1, then the **Service Provider** shall indemnify **NGESO** against all and any losses, liabilities, claims, expenses and demands suffered or incurred by **NGESO** in connection therewith. Such indemnity shall include any legal costs and expenses reasonably incurred in the contesting of such claims including the court costs and reasonable attorney's fees and other professional advisors' fees. The **Parties** agree and accept that, for the purposes of paragraph 5 (*Limitations on Liability*) of the **ODFM General Terms and Conditions**, all such legal costs and expenses expressed to be the subject of such indemnity shall be treated as direct losses.
- 11.3 In the event of any such claim referred to in paragraph 11.2 being made against **NGESO**, **NGESO** shall as soon as reasonably practicable give notice of the claim together with all relevant supporting documentation to the **Service Provider**. The **Service Provider** shall be entitled, upon written notice to **NGESO** and subject to **NGESO** receiving from the **Service Provider** such reasonable undertakings as **NGESO** shall reasonably require to protect **NGESO** against damage to its name and reputation, to assume at its own expense the sole conduct of all proceedings relating to such claim including the right to contest such claim in the name of **NGESO**. **NGESO** shall supply the **Service Provider** with all information, assistance and particulars reasonably required by the **Service Provider** in connection therewith. **NGESO** shall not accept, settle, pay or compromise any such claim without the prior written approval of the **Service Provider** (not to be unreasonably withheld or delayed). The **Service Provider** shall reimburse to **NGESO** all of its reasonable expenses incurred in connection with the provision of any such information, assistance or particulars in the contesting of any such claim.

12. Provision of Other Services

- 12.1 The **Service Provider** undertakes to **NGESO** that the availability and delivery of **Optional Downward Flexibility Management** from any **Contracted Unit** pursuant to and in accordance with **ODFM Service Terms** will not at any time during any **Instructed Service Period** be impaired or otherwise prejudiced by the **Service Provider's** performance of any agreement with a third party (including another **Service Provider**) relating to any **Eligible Asset** or any associated **Plant** and **Apparatus**, including the making available and/or delivery of services to that third party by the **Service Provider** (whether by way of increases or reductions in **Generation** or **Demand** or stipulated running profiles, participation in any other services (including where part of a trial service) or otherwise, and whether to assist in the management, operation or protection of a **User System** or pursuant to the **Capacity Market Rules** or otherwise).
- 12.2 Notwithstanding paragraph 12.1, and without prejudice to paragraph 12.6, in the event that the **Service Provider** is unable to provide **Optional Downward Flexibility Management** (to any extent) in all or any part of any **Instructed Service Period** for any reason described in paragraph 12.1, then the **Service Provider** shall give a full explanation to **NGESO** when notifying its inability to provide **Optional Downward Flexibility Management** pursuant to paragraph 6.3iv, and **NGESO** may in its absolute discretion (except where paragraph 12.5 applies) suspend the registration of the **Service Provider** as a **Registered ODFM Participant** pursuant to paragraph 14.1 and/or suspend the registration of the relevant **Eligible Asset(s)** pursuant to paragraph 14.2.
- 12.3 Subject always to paragraph 12.4, and irrespective of whether or not **NGESO** elects to suspend the registration of the **Service Provider** as a **Registered ODFM Participant**, the **Service Provider** hereby agrees to reimburse to **NGESO** all and any additional costs and expenses incurred by it as a result of such inability including **NGESO's** additional costs of alternative or replacement service provision.
- 12.4 The amount or amounts for which the **Service Provider** may be liable to reimburse **NGESO** pursuant to paragraph 12.3 in respect of any single **Service Instruction** shall not exceed in aggregate the greater of (1) two hundred and fifty thousand pounds sterling (£250,000), and (2) an amount equal to the aggregate

Service Payments in respect of that **Contracted Unit** calculated by reference to all **Instructed Service Periods** in respect of the relevant **Trading Day** (ignoring any periods of unavailability and whether or not declared by the **Service Provider**).

- 12.5 Where, during any one or more **Settlement Periods** in an **Instructed Service Period**, a **Service Provider** is required under the terms of any agreement with **NGESO** to provide from any **Eligible Asset** any other **Balancing Service** (except with respect to **Reactive Power**) the **Parties** agree and acknowledge that **Optional Downward Flexibility Management** cannot be provided simultaneously with such other **Balancing Service** and to the extent that such service provision either overlaps to any extent with an **Instructed Service Period** and/or is otherwise inconsistent or in conflict with the delivery of **Optional Downward Flexibility Management**, then the relevant **Contracted Unit** shall be deemed unavailable for the purposes of paragraph 7.
- 12.6 Where, during any one or more **Settlement Periods** in an **Instructed Service Period**, a **Service Provider** is making available and/or delivering services to a third party in breach of paragraph 12.1, then the relevant **Contracted Unit** shall be deemed unavailable for the purposes of paragraph 7.

13. Communications

- 13.1 Any communications required by these **ODFM Service Terms** to be given in writing shall unless otherwise provided in this paragraph 13 be made and deemed to have been received in accordance with paragraph 10 (Notices) of the **ODFM General Terms and Conditions** save as may be otherwise agreed by the **Parties**.
- 13.2 All **ODFM Declarations**, **Service Instructions** and other notifications from one **Party** to the other required by these **ODFM Service Terms** to be made by email or telephone shall be submitted by the relevant **Party** to the other using the email addresses and telephone numbers which, for the **Service Provider**, shall be notified to **NGESO** in accordance with the **Optional Downward Flexibility Management Guidance Document**, and for **NGESO** shall be as shown below (each as may be updated from time to time by notice in writing pursuant to paragraph 13.1):-

Email:

ODFM Declarations: commercial.operation@nationalgrideso.com

Acknowledgements of **Service Instructions:** box.ODFM@nationalgrideso.com

Confirmation of unavailability post **Service Instruction** (paragraph 6.3iv): CTR1.CCTA@nationalgrid.com

Other: commercial.operation@nationalgrideso.com

Operational contact: Control Technical Assistant (CTA);

Telephone contact number:

Notification of unavailability post **Service Instruction** (paragraph 6.3iv): 0844 892 0385

- 13.3 The **Parties** consent to the recording of all telephone conversations between them relating in whole or in part to these **ODFM Service Terms**, and each **Party** agrees to notify its employees of that consent and obtain their consent to that recording if required by **Law**.
- 13.4 All emails sent pursuant to these **ODFM Service Terms** shall be deemed to be received one (1) hour after the time of transmission (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered.

14. Suspension and Termination

- 14.1 **NGESO** may in its absolute discretion suspend the registration of a **Service Provider** as a **Registered ODFM Participant** with immediate effect by notice in writing to the **Service Provider** in the following circumstances:-
- i. where the **Service Provider** is in breach of a warranty or declaration given under any of the **Registration Documents**; or

- ii. where **NGESO** (acting reasonably) determines that the **Contracted Unit**, and/or one or more **Eligible Assets** comprising the **Contracted Unit**, is not ready for commercial operation and/or delivery of **Optional Downward Flexibility Management** (and until such time as its capability to deliver **Optional Downward Flexibility Management** is demonstrated to **NGESO**'s reasonable satisfaction which may be by testing); or
- iii. where otherwise so provided in these **ODFM Service Terms**.

14.2 Without prejudice to paragraph 14.1, where **NGESO** (acting reasonably) determines that the **Contracted Unit**, and/or one or more **Eligible Assets** comprising the **Contracted Unit**, is not ready for commercial operation and/or delivery of **Optional Downward Flexibility Management**, then it may in its absolute discretion suspend the registration of the **Eligible Asset** with immediate effect until such time as its capability to deliver **Optional Downward Flexibility Management** is demonstrated to **NGESO**'s reasonable satisfaction which may be by testing.

14.3 The procurement by **NGESO** of **Optional Downward Flexibility Management** pursuant to these **ODFM Service Terms** shall end with effect from 23.00 hours on 31 October 2021 such that no **ODFM Declarations** shall be capable of being submitted by **Service Providers** to **NGESO** with respect to any **Trading Days** after that date.

14.4 For the avoidance of doubt, the operation of paragraph 14.3 and the ending of procurement by **NGESO** of **Optional Downward Flexibility Management** from the applicable date referred to shall be without prejudice to the rights and obligations of **NGESO** and **Service Providers** under these **ODFM Service Terms** accrued as at such date including **Service Payments** falling due with respect to delivery of **Optional Downward Flexibility Management** in **Instructed Service Periods** prior to such date.

15. Monitoring and Metering Data

15.1 To enable **NGESO** to monitor the availability and delivery of **Optional Downward Flexibility Management** pursuant to these **ODFM Service Terms**, the **Service Provider** shall procure and retain for a period of twelve (12) months the following data ("**Relevant Data**") for each **Contracted Unit** (including, where applicable, for each constituent **Eligible Asset**):-

- i. half hourly metered data for each **Instructed Service Period** (together with the 12 consecutive **Settlement Periods** falling immediately before and after such period), derived from **Relevant Metering**; and
- ii. such other data as may be specified by **NGESO** in the **Optional Downward Flexibility Management Guidance Document**.

15.2 The **Service Provider** shall submit to **NGESO** all **Relevant Data**, in the case of paragraph 15.1i by no later than the end of the fifth (5th) **Business Day** after expiry of that **Instructed Service Period**, and in all other cases within five (5) **Business Days** of **NGESO**'s written (which shall include email) request, in each case in such format as **NGESO** may specify from time to time.

16. Confidentiality and Market Reports

16.1 Subject always to paragraphs 16.2 and 16.3, the provisions of paragraph 8 (Confidentiality and Announcements) of the **ODFM General Terms and Conditions** shall apply to all and any information provided by **NGESO** or any **Service Provider** to the other (whether orally or in writing) pursuant to or in connection with these **ODFM Service Terms**.

16.2 Each **Service Provider** agrees that **NGESO** shall be permitted to publish in market reports information related to its **Contracted Units** and participation in procurement of **Optional Downward Flexibility Management**, which information may include:-

- i. the identity of the **Service Provider** and each of its **Eligible Assets** and **Contracted Units** from time to time;
- ii. in relation to each identified **Contracted Unit**, the **Registered Service Volume** and **Ramping Rates**, delivery method and technology type;

- iii. for any **ODFM Declaration** with respect to an identified **Contracted Unit**, and where applicable, the **Service Fee** offered and periods of availability; and
- iv. for each **Instructed Service Period** with respect to an identified **Contracted Unit**, its duration.

16.3 Without prejudice to paragraph 16.2, and for the purposes of facilitating proper coordination, operation and management of the **System**, **NGESO** shall further be permitted to disclose to **Public Distribution System Operators** the contents of **ODFM Declarations** (except **Service Fees**), together with **Registered Service Volumes** and delivery method (being whether **Output Curtailment** or **Demand Turn Up**), which for the avoidance of doubt may be on a locational and non-anonymised basis (including by MPAN).

16.4 All and any information provided by **NGESO** to **Service Providers** for the purpose of these **ODFM Service Terms**, including in the market reports referred to in paragraph 16.2, is provided in good faith, but no representation or warranty is given by **NGESO** (or any of its employees, offers agents or advisers) as to the accuracy or completeness of such information.

17. ABSVD

17.1 Subject always to paragraph 17.3, **NGESO** intends that **Optional Downward Flexibility Management** shall be treated as an **Applicable Balancing Service** so that relevant volumes of energy can be included within the **Applicable Balancing Services Volume Data** in accordance with the **Applicable Balancing Services Volume Data Methodology Statement**. For such purpose, the **Service Provider** hereby consents (where applicable for and on behalf of the **Lead Party** of all relevant **BM Units**) to all and any energy volumes associated with delivery of **Optional Downward Flexibility Management** pursuant to these **ODFM Service Terms** being included within the **Applicable Balancing Services Volume Data** and to make (or procure are made) all necessary notifications for such purpose and in such format and manner as may be specified by **NGESO** and/or **Elexon**.

17.2 Furthermore, the **Service Provider** shall notify **NGESO** in writing if at any time the metered volumes associated with such energy volumes are reallocated (or cease to be reallocated) by the **Lead Party** to another **BSC Party** by way of a **Metered Volume Reallocation Notification**.

17.3 Where and for so long as **NGESO** and/or **Elexon** is unable to facilitate the treatment of **Optional Downward Flexibility Management** as an **Applicable Balancing Service** pursuant to paragraph 17.1, **NGESO** shall so notify all **Service Providers** and for such period the **Energy Imbalance Cashflows** attributable to the relevant energy volumes shall be settled between the **Parties** in the **Monthly Statement** issued by **NGESO** in accordance with paragraph 4 (*Payments*) of the **ODFM General Terms and Conditions**, on the basis that amounts attributable to **Energy Imbalance Cashflow** which are payable by the **Service Provider** shall be reimbursed to the **Service Provider** by **NGESO** and amounts attributable to **Energy Imbalance Cashflow** which are receivable by the **Service Provider** shall be paid by the **Service Provider** to **NGESO**. For such purpose, the **Service Provider** shall provide to **NGESO** reasonable evidence of its liability (or entitlement) to amounts attributable to **Energy Imbalance Cashflows** in its commercial arrangements with the relevant **Lead Party**.