

Demand Flexibility Service

Consultation change summary

Below is a summary of the principal changes being made to the Demand Flexibility Service (DFS) documentation (procurement rules and service terms) for use beginning in winter 2023. We have further amended the terms of the Demand Flexibility Service (DFS) documentation to take into account the engagement and feedback received following the consultation process which concluded on 17 July 2023. These latest amendments are written in blue text to distinguish them from the original changes proposed.

For full details please refer to the redlined versions of those documents in the consultation documentation.

DFS Procurement Rules

Paragraph	Subject Matter	Change
2	Duration of Service procurement	DFS procurement no longer has a defined end date.
4	Unit Meter Point Schedule	A Registered Service Provider will submit a schedule in a prescribed format, listing the Unit Meter Points which that Registered Service Provider has a right to allocate, alongside the key information listed in this paragraph.
4.3.1	Retention of Data	Registered Service Providers need to retain a copy of their Unit Meter Point Schedules for 15 months from the date of submission rather than 6 months.
4.3.2	Information required within the Unit Meter Point Schedule	Further details have been provided as to the required content of Unit Meter Point Schedules. In particular, this list now reflects the new facility to offer DFS from sub-meters (eg Asset Meters) rather than merely boundary supply point meters. <i>There is now a prescribed format for timestamps in Unit Meter Point Schedules.</i>
4.3.3	<i>Further information required by NGESO</i>	<i>Providers only need to provide further information where this is reasonably required by NGESO.</i>
4.4	Service provided by only one provider	It is the responsibility of Registered Service Providers to ensure that their customers have not signed up with another Service Provider.
4.5	Related Sub-Meters	To prevent displacement of energy volumes amongst Sub-Meters behind a single boundary meter, Sub-Meters that are managed by the same Registered Service Provider must all be included in that Provider’s Unit Meter Point Schedule

4.6	Rules for where a Unit Meter Point appears on more than one Unit Meter Point Schedule	NGESO will rely on the 'timestamp' included in the Unit Meter Point Schedule and associated with that Unit Meter Point to determine which Providers are entitled to participate in DFS from that Unit Meter Point.
4.7	Requirements for Unit Meter Points	The rules for when a Unit Meter Point must be half hourly settled have been updated to include reference to Sub-Meters. The rules now clarify that all Metering Equipment that is part of a Unit Meter Point must meet accuracy standards of code of practice 11. The rules have also clarified that Unit Meter Points cannot be registered to provide any other balancing services whilst registered for DFS.
4.8	NGESO approval of Unit Meter Point Schedule	NGESO will confirm which Unit Meter Points in a Unit Meter Point Schedule have been accepted once per day, and require updated schedules to be submitted by 11:00 each day.
4.9	When Unit Meter Points can be accepted	Clarified that Unit Meter Points may be allocated to DFS Units from the day after they have been accepted as part of a Unit Meter Point Schedule.
4.10	Updating information submitted under the Registration and Pre-Qualification Procedure	Providers need to keep the information submitted to NGESO up to date.
6.3	Good faith warranties	New warranties have been included to ensure no "gaming" of operational baselines or service delivery volumes.
6.3.2	Caveats to required policies and procedures	NGESO have caveated their policies to where reasonably practicable. Behaviour now refers to a portfolio rather than by meter point basis.
(Former Paragraph 7)	Onboarding Tests	Onboarding Tests have been removed from DFS.
New Paragraph 7	Market Information Reports	NGESO is committing to publish reports with information on matters such as anticipated service requirements and testing. Market Information Reports will also contain the volume trigger for Competitive Tests.
8.1	Weekly Indicative Forecasts	NGESO no longer envisages Demand Reduction Volumes being submitted by GSP Group
8.2	Requirements for Weekly Indicative Forecasts	Service Providers should provide details of anticipated Demand Reduction Volumes and Utilisation prices relating to Despatch Times as well as Settlement Periods.
8.3	Updates to the Weekly Indicative Forecasts	Weekly Indicative Forecasts can be updated at any time.

9	Updates to the Unit Meter Point Schedules	This paragraph sets out the process by which initial Unit Meter Point Schedules are updated, and obliges Registered DFS Providers to cooperate with NGESO to resolve duplications.
9.4	Re-including formerly removed Unit Meter Points in Unit Meter Point Schedules	This new paragraph provides that NGESO's written consent is required for Meter Points being re-included in a Unit Meter Point Schedule if they have provided certain services in the preceding 90 days.
10	Service Requirements	The references to specific times have been removed in favour of Despatch Times which will be communicated by NGESO in advance. The distinction between Regular Tests and Onboarding Tests has been removed.
10.1	Time of publishing Service Requirements	Reference to NGESO publishing Service Requirements around 10:00 the day before an anticipated Service Requirement has been removed.
10.3	Time of publishing Service Requirements	Reference to NGESO notifying a Service Requirement around 14:30 on the day of an anticipated Service Requirement has been removed. Instead, NGESO will publish Service Requirements at around the Despatch Times.
Former 10.4	Change to the method of notifying a Service Requirement by way of a DFS Test	Clause removed and replaced by the new clause 10.6.
Renumbered 10.4	Method of notifying Service Requirements	NGESO will be publishing service requirements on the ESO Data Portal, although may continue to notify Registered DFS Providers through the DFS Assessment Platform.
10.5	Content of a Service Requirement	This paragraph sets out what information a published Service Requirement will contain.
10.6	DFS Tests	This paragraph now enables NGESO to allocate to participants, Settlement Periods within a test window in order to manage step changes. Where the aggregate volumes in a test period exceed a specified trigger, NGESO can declare a Test period a Competitive Test and the guaranteed acceptance price will no longer apply. (see consequential changes to 11.1, 12.1 and 12.2).
10.7	Number of DFS Tests	This paragraph sets out how many NGESO intends to carry out before 31 December 2023, and what will happen if this number is not met.
11.1	Deadline for submitting DFS Bids	DFS bids need to be submitted within an hour of a Service Requirement being issued, unless NGESO notifies otherwise in the Service Requirement.
11.5.5	Allocation of Unit Meter Points	Clarification that Unit Meter Points can only be allocated to the relevant DFS Unit (ie 'Domestic' or 'Industrial & Commercial' or 'Hybrid') depending on whether that Unit Meter Point is identified as 'Domestic' or 'Industrial & Commercial').
12.1	Assessment of DFS Bids	A clause is added clarifying that DFS Tests in this paragraph do not include Competitive Tests.

13.1.2 (b)	Warranties given by Registered DFS Providers	Clarification of warranties to reflect need for all relevant permission and consents from the owner of the premises which are providing the DFS Service, that the Registered Service Provider has access to all relevant data including for ABSVD purposes, and that allocated Unit Meter Points are not participating in DFS in some other way.
14.1	Timing of DFS Acceptances	NGESO will publish DFS acceptances 60 minutes after the DFS Bid Submission time, rather than around 16:30
14.2	Method of communicating DFS Acceptances	NGESO will publish acceptances normally on the DFS Assessment Platform, although may alternatively do so on the ESO Data portal.
Former paragraph 13.5	Acknowledgement of DFS Acceptances	Registered DFS Providers no longer need to acknowledge receipt of a DFS Acceptance.
Former paragraph 15	Updated Volume Forecasts	The requirement for the DFS Participant to provide forecasts in this manner has been removed.
19	Communication Principles	Participants are required to comply with the Communication Principles, which may be wider than just marketing and branding aspects of DFS.
22.1	Cost of Unit meter Point Schedules	Clarification that costs to be borne by Registered Service Providers includes costs associated with production of Unit Meter Point Schedules.
New Definition	Code of Practice 11	This refers to the Code of Practice for the Metering of Balancing Services Assets for Settlement Purposes' published pursuant to the BSC.
New Definition	Competitive Test	This refers to paragraph 10.6 for its definition.
Amended Definition	Delivered Demand Reduction Volume	This is the term that is used for settlement, and will incorporate demand reduction and in some cases demand increases of unit meter points which are Participating, in each case by reference to Operational Baselines. The situations in which demand increases will be taken account are where there is the potential for displacement of energy volumes.
New Definition	DFS Results Time	DFS Results will be released at a time determined by the time of a Service Requirement, rather than at a fixed time of the day.
New Definition	DFS Test	This replaces the 'Onboarding' and 'Regular' Tests.
Amended Definition	DFS Unit Type	Now includes the concept of 'Hybrid' Unit Types.
New Definition	Domestic	This defines a domestic Unit Meter Point by reference to the purposes for which the meter's premises are wholly or mainly used for.
New Definition	Industrial & Commercial	This defines an Industrial & Commercial Unit Meter Point as any premises which are not Domestic..
Amended Definition	Market Information Report	Amended to clarify that the DFS documents are referring to the prevailing market information report.
New Definition	Opt-In	Introduced as a concept to cover those Unit Meter Points which are not Participating for any particular DFS event unless the consumer has indicated to the Registered Service Provider that it wishes to opt-in.

New Definition	Opt-Out	Introduced as a concept to cover those Unit Meter Points which are Participating unless the consumer has indicated to the Registered Service Provider that it wishes to opt-out. Where the Unit Meter Point is a Sub-Meter, all Sub-Meters behind the same Boundary Meter which are managed by the same Registered Service Provider must be opted-out collectively. .
New Definition	Participating	Introduced as a concept to describe those Unit Meter Points whose demand reductions (or increases) are taken into account in settlement (via the definition of Delivered Demand Reduction Volume), based on their Opt-in or Opt-out status.
New Definition	Profile Class	This is needed for the new text in 4.7.2 and 4.7.3.
New Definition	Related Sub-Meters	Introduced as a concept, to describe Sub-Meters which sit behind a single Boundary Meter and are managed by the same Registered Service Provider.
New Definition	Sub-Meter	Introduced as a concept, being either Asset Meters as defined in the BSC or Meters which would be eligible for registration as Asset Meters.
Amended Definition	Unit Meter Point	Amended to refer to a Boundary Meter or a Sub-Meter, rather than solely the consumption or demand measured by a Boundary Meter.
Schedule 2	Registration and Pre-Qualification Process	Process amended to clarify validation of Unit Meter Point Schedules.
Schedule 2	Registration and Pre-Qualification Registration of DFS Units	DFS Units can be designated as 'Hybrid' to which Unit Meter Points can be allocated whether designated as Domestic or Industrial & Commercial.
Schedule 2	Registration and Pre-Qualification Validation of Unit Meter Points	Clarifies that Unit Meter Points that are Boundary Meters, cannot be on a Unit Meter Point Schedule with associated Sub-Meters and vice versa. The Weekly Indicative Forecast obligation is also removed. A clarification is included regarding what participants in the DFS 22/23 procurement period need to do to participate in DFS 23/22
Schedule 3	Operational Baseline Methodology	In Day Adjustments to Operational Baselines are no longer used to calculate Operational Baselines for Domestic DFS Units

DFS Service Terms

Paragraph	Subject Matter	Change
5.3	Demand displacement for Service Delivery	An additional obligation on Service Providers that they must not (through their initiation measures) displace the consumption or demand recorded by participating Unit Meter Points, to another source, and must ensure that the owners of the premises behind those Unit Meter Points are similarly not displacing their consumption.

		The paragraph is amended to require participants to procure that their Affiliates also comply with these requirements.
6.1	Increased time for retention of Performance Data	Amended to increase the performance data retention period from 6 months to 15 months, and to require that data to be kept in a specified format.
6.4	Additional information within Performance Data	A new requirement to record Opt-In, Opt-Out and Participating status of Unit Meter Points during DFS Service Windows.
6.5	Performance Data	A new requirement to collect Half-Hourly Metered Data during a Contracted Settlement Period, for Boundary Meters that are associated with Unit Meter Points representing Sub-Meters. Also introduces a requirement to collect the data used by a Service Provider to calculate DFS Operational baselines.
Former 7.2	Utilisation Payments	Removed references to Onboarding and Regular testing and instead inserted references to the allocation of Unit Points and DFS Units.
7.2	Where demand reduction from Unit Meter Points is split across multiple DFS Units.	Inserted to deal with situations where Unit Meter Points that are allocated to more than one DFS Unit over or under deliver. The over/under delivery of a Unit Meter Point will be split proportionately across the DFS Units.
8.2	Acceptance procedure	Acceptances will be communicated through the DFS Assessment Platform, and the requirement for the Service Provider to provide an estimated Utilisation Payment calculation is removed. A new provision entitling NGENSO to request baseline and reduction volumes on a Unit Meter Point basis rather than aggregated at DFS Unit level.
8.5	DFS Incentive Values	A new obligation on Service Providers to submit information to NGENSO relating to the aggregate value of any Incentives used to encourage the owners of premises behind Unit Meter Points to reduce their demand. This information will not be shared in Market Information Reports.
8.6	Format of Data	Replaces 8.4 and includes a reference to Aggregate Incentive Values.
10.1	Consent for energy volumes being included within ABSVD	Clarifies where energy volumes from Sub-Meters will be included within ABSVD.
10.2	Domestic Boundary Meters and DFS	Inserted to dis-apply paragraph 10.1 with respect to domestic Boundary Meters where the supplier to the domestic premises is not authorised to participate in DFS with that Boundary Meter.
10.3	Suppliers to provide Metered Data for ABSVD Meters.	Inserted to require the Service Provider to provide to NGENSO all relevant Metered Data and other information for volumes associated with DFS where Unit Meter Points included in ABSVD.
10.4	ABSVD	Requires Service Providers with Unit Meter Points that are Sub-Meters, and included in ABSVD, to also provide Meter Data and the MPAN from the associated Boundary Meter.

