ESO

Balancing Mechanism vs MW Dispatch

Key Service Points

Topic	Balancing Mechanism (incl Wider Access)	MW Dispatch
Contract 1MW>	The traditional route requires signing a NGESO Connection Agreement. These take the form of: Bilateral Embedded Generation Agreement (BEGA), Bilateral Embedded Licence Exemptible Large Power Station Agreement (BELLA), Bilateral Connection Agreement (BCA). BCAs are for new connections to the National Electricity Transmission System (NETS). Embedded generators can enter either a BEGA or a BELLA. Through this process parties will be required to accede to the Connections Use of System Code (CUSC), through NGESO and the Balancing and Settlement Code (BSC) through Elexon	Currently Providers must have 'Control and Visibility' clause in Connection Offer/Agreement from the DNO. NGESO is working with DNOs to open up this market to Providers without the 'Control and Visibility' clause in their Connection Offer/Agreement. This is being investigated as part phase 3 of the MW Dispatch project, see Project Initiation Document (PID).
Contract <1MW	This route requires registration via a Virtual Lead Party (VLP) through NGESOs new registration system. Parties will register Secondary BMUs with both NGESO and Elexon. The minimum size for a Secondary BMU is 1MW. Through this process parties will be required to accede to the Connections Use of System Code (CUSC) and sign a Virtual Lead Party Agreement through the NGESO Connections Team (transmissionconnections@nationalgrideso.com), and the Balancing and Settlement Code (BSC) through Elexon.	NGESO are working with DNOs to open up this market to Providers <1MW. This will be investigated in phase 3 of the MW Dispatch Project, see Project Initiation Document (PID).

	Visit: https://www.nationalgrideso.com/industry-information/connections/use-system-uos-and-virtual-lead-party-vlp	
Metering	Provider responsible for providing operational metering to NGESO.	DNO will provide operational metering data to NGESO.
Control	Provider responsible for providing control to NGESO. This is done via Electronic Data Transfer and Electronic Data Logging facilities in traditional BM. Wider Access APIs are an alternate route (MW capacity through this route is capped)	Control instructions from NGESO will be delivered to the Provider via Web API from the DNO.
Onboarding time	Up to 6 month lead time for on-boarding	Up to 3 month lead time for on-boarding
Data requirement	BM participants must provide commercial data and dynamic data to NGESO (e.g. Physical Notifications, Maximum Export Limit, Maximum Import Limit and Bid/Offer Data.)	No need to issue commercial/dynamic data – only need to submit unit price at day-ahead. Submitted price is rolled-over for each operational day (i.e. no need for re-submission if unit price does not change).
Registration and more information	https://www.nationalgrideso.com/industry-information/balancing-services	https://www.nationalgrideso.com/research-and-publications/regional-development-programmes-rdps
Project Initiation Document	N/A	https://www.nationalgrideso.com/document/277161/download