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# A guide to contracting, tendering and providing ESO balancing services

Last updated: Dec 2018

Provide Feedback

nationalgridESO



# Version Control

Version	Published	Comments
1.0	December 2018	

# Introduction

- **National Grid Electricity System Operator (NG ESO) is focused on becoming a better buyer of balancing services.**
- **We recently sought feedback from a range of existing and new providers** to understand the end to end provider experience when accessing and participating in balancing markets.
- **We have learnt that we need to improve the provider experience**, so that you can continue to supply the services we need via open and transparent procurement processes.
- **The ESO Balancing Services Guide has been developed as a result of this work and its contents are based on your feedback.**
- This document provides signposts to information on the wider electricity market in addition to guidance on each stage of the provider journey, from signing a Framework Agreement to Settlement. We welcome your views on this document and will be making continuous improvements based on feedback received. Contact us at [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com), or fill out the short survey at the link below:

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  10. Change management
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# 1. Electricity market overview

This section signposts new providers to **useful information on current topics and future developments in the GB Electricity Market** from key stakeholders, including:

- Ofgem
- ELEXON
- NG ESO
- Energy Networks Association
- Power Responsive

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# 1. Electricity Market Overview Contents

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1.1. Electricity market overview

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# 1.1. Electricity market overview

Follow the below links for information on current topics and future developments in the GB Electricity Market. Please contact [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com) if you would like to see additional links included on this page.

Electricity Market Regulation – Ofgem	Electricity Balancing Code - ELEXON	Electricity System Operation (ESO)	Energy Networks Association (ENA)	Power Responsive – Demand Side Flexibility (DSF)
<p><a href="#">Market efficiency, review and reform</a></p> <p><a href="#">Forums, seminars and working groups</a></p> <p><a href="#">Network price controls</a></p> <p><a href="#">European Market</a></p>	<p><a href="#">ELEXON's role in the Electricity industry</a></p> <p><a href="#">Training services</a></p> <p><a href="#">Balancing &amp; Settlement Code (BSC)</a></p> <p><a href="#">BSC change process</a></p>	<p><a href="#">Balancing services</a></p> <p><a href="#">Balancing data</a></p> <p><a href="#">Charging</a></p> <p><a href="#">Codes</a></p> <p><a href="#">Connections</a></p> <p><a href="#">Online calendar</a></p>	<p><a href="#">ENA Working Groups</a></p> <p><a href="#">Open Networks Project</a></p> <p><a href="#">EU Network Codes</a></p> <p><a href="#">ENA Consultations</a></p>	<p><a href="#">The DSF opportunity</a></p> <p><a href="#">Case Studies</a></p> <p><a href="#">Latest updates</a></p> <p><a href="#">FAQs</a></p> <p><a href="#">Sign up to the Power Responsive mailing list</a></p>

# 1.1. Electricity market overview cont.

Follow the below links for information on current topics and future developments in the GB Electricity Market. Please contact [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com) if you would like to see additional links included on this page.

## Electricity Market Policy

[State of the Energy Market 2018](#)

[Cost of Energy Review 2017](#)

[Electricity Market Reform](#)

## ESO Innovation Projects

[How to get involved](#)

[ESO Innovation mailing list](#)

[Innovation Strategy](#)

[Projects](#)

## ESO Future of Balancing Services Roadmaps

[Frequency Response and Reserve](#)

[Reactive Power](#)

[Restoration](#)

[Wider Access to the BM](#)

[Register for updates](#)

## Industry trade associations

[The Association for Decentralised Energy \(ADE\)](#)

[Energy UK](#)

[Major Energy Users' Council](#)

## Regional Development Programmes (RDPs)

[UK Power Networks RDP](#)

[Western Power Distribution RDP](#)

[South West Scotland RDP](#)

## 1.2. Electricity market overview FAQs:

### NG ESO Response:

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**How can my business get involved and save money / generate revenue by providing services?**

Review the [Power Responsive](#) website, and download “[A short guide to how your business can profit from Demand Side Response](#)” for information and support on the process steps from understanding the opportunity to setting up systems and managing contracts. The guide includes a summary of NG ESO Balancing Services. Visit our website at: <https://www.nationalgrideso.com/balancing-services>

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**Where can I find out more information about the UK Capacity Market, and NG ESO’s role as the EMR Delivery Body?**

The objective of the Capacity Market is to provide a regular payment to reliable forms of capacity (both demand and supply side), in return for the capacity being available when the system is tight. In our role as [EMR Delivery Body](#), National Grid ESO is responsible for:

- Producing annual Electricity Capacity Reports for Government to advise on capacity requirements in order to meet the published reliability standard.
  - Coordinating the implementation of the CM and FiT CfD mechanisms.
  - Administering key elements of the Capacity Market and the FiT CfD regime.
- 

This page will be updated in response to requests for information – contact us at [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com)

## 2. Overview of balancing services

We procure services to **balance demand and supply** and to ensure the **security of electricity supply** across Britain's transmission system.

A [list of balancing services](#) currently procured by the ESO is available on our website. This document focuses on the services procured via competitive tender.

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2.8. Overview of balancing services FAQs

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# 2.1. Frequency response services

Click on each of the headings below to access the relevant service pages on our website:

Click here to watch 'The Power of Frequency Response' playlist on our YouTube channel

## Firm Frequency Response (FFR)

- **Dynamic and Non-Dynamic** FFR products procured via monthly tender. Weekly auction trial starts June 2019.
- **Min. entry size is 1MW**, from a single or aggregated unit
- Able to respond to an instruction within **2-30 seconds** and sustain the response for up to **30mins**.
- More info: [FFR Interactive Guidance Document](#)

## Mandatory response services

- Mandatory frequency response (MFR) is an automatic change in active power output in response to a frequency change.
- The service is mandatory for large generators and so there is no tender process.
- Some volume from the MFR market will be entered into the [FFR Auction trial](#), starting in June 2019.

## Future frequency response products

- As part of our work to improve and develop our balancing services markets as outlined in the [Product Roadmap](#), we are investigating what a new, faster-acting frequency response product may look like, and how it could form part of a new suite of frequency response products.
- More info: [Future frequency response products](#)

## Frequency data

- Second-by-second frequency data or Great Britain at a 1 second resolution
- More info: [Historic frequency data](#)

## 2.2. Reserve services

Click here to watch the 'Reserve products and Future Markets' playlist on our YouTube channel

Click on each of the headings below to access the relevant service pages on our website:

### Short Term Operating Reserve (STOR)

- 3 tender rounds per year, for a **committed or flexible** service.
- **Min. entry size is 3MW**, from an single or aggregated unit.
- Asset(s) must be able to respond to an instruction within **20 mins** and sustain the response for **up to 4 hours**.
- More info: [STOR Interactive Guidance Document](#)

### Fast Reserve (FR)

- Procured via monthly tender.
- **Min. entry size is currently 50MW**, from an single or aggregated unit. From April 2019, this will be **reduced to 25MW**.
- Ramp up rate is 25MW/min so an asset should be at an output of 50MW in 2 minutes.
- The response must be sustained for **15 mins**.

### Demand Turn Up (DTU)

- **A summer only service**, to help manage periods of low demand on the system.
- Procured via annual tender round in Spring, with service running until end October.
- **Min. entry size is 1MW**, from an single or aggregated unit.
- More info: [DTU Interactive Guidance Document](#)

## 2.3. Reactive power services

Reactive power services are how we make sure voltage levels on the system remain within a given range, above or below nominal voltage levels. We instruct generators or other asset owners to either absorb or generate reactive power. Managing voltage levels comes from maintaining a balance between elements on the system, which either absorb reactive power (decreasing voltage) or generate reactive power (increasing voltage).

- In October 2018, we published a Request for Information for the provision of Reactive Power Services in South Wales and Mersey areas. The Request for Information forms part of our commitment in the Product Roadmap for Reactive Power.
- Where technically possible, providers can participate in reactive power services and provide active power in other balancing services – the onus is on the provider to ensure that the requirements of both contracts can be fulfilled.

**South Wales RFI**

**Mersey RFI**

**Product  
Roadmap for  
Reactive Power**

**South Wales –  
next steps**

**Mersey – next  
steps**

- We have teamed up with UK Power Networks to launch the Power Potential project, which aims to create a new reactive power market for distributed energy resources (DER) and generate additional capacity on the network. The project, which is a world first, could save energy consumers over £400m by 2050 and generate up to an additional 4 GW in the South East region of the UK.

**Power Potential  
in 2 mins**

**Guide to  
participating**

**Power potential  
webpage**

## 2.4. Restoration services

Black start is the procedure we use to restore power in the event of a total or partial shutdown of the national electricity transmission system.

- We have been developing a new market mechanism to competitively procure Black Start Ancillary Services, delivering on what we said in our Black Start Strategy and Procurement Methodology, and Restoration Roadmap.
- We are proposing to seek Expressions of Interest (EOI) in Q1 of 2019, and to subsequently Invite to Tender (ITT) in April 2019, for services in two zones, provisionally the South West and Midlands, for service commencement in April 2022. Ahead of this, we would like to seek feedback on our proposal from industry to help shape our wider approach.

Black Start  
Strategy

Procurement  
Methodology

Restoration  
Roadmap

Request for  
Feedback

Black Start  
allowed revenue  
report

### Key Feedback Dates

6 December

Feedback period open

18 December

Webinar with NGESO

10 January 2019

Written Feedback Deadline

### A note on service and revenue “stacking”

If the ESO makes an investment in assets or capability (for example, auxiliary generators), the provider will be able to offer other ancillary services using these assets subject to agreement from ESO. The expectation is that the provider will agree a reduction to the Black Start service fee. This is to avoid the end consumer ‘paying twice’, and to avoid market distortion of other services. The provision of other balancing services must not interfere with the ability to provide Black Start.

## 2.5. Wider access to the Balancing Mechanism (BM)

Our Wider Access to the BM Roadmap sets out the commitments and actions to improve existing BM entry routes and create a new route to market.

- This document is of interest to a broad range of stakeholders who are interested in learning how we are widening access to the GB Balancing Mechanism. This includes what we are looking to do in the short term to improve access to the Balancing Mechanism under current arrangements, and our plans to create new routes to market.
- Increasing participation in the Balancing Mechanism will significantly help the ESO manage operability challenges, and consequently lead to more cost effective balancing actions. In the roadmap, we are seeking to remove barriers to Balancing Mechanism entry for small and aggregated units in three ways:
  1. Improving existing routes to market to ensure their suitability for the participation of supplier aggregators in the BM.
  2. Developing new routes to market through framework changes to create a new way of entering the BM for parties wishing to provide near real-time flexibility. These may be from non-traditional providers or aggregators who are not currently licensed suppliers.
  3. Enhancing IT systems to improve data flows between the ESO and market participants so they are more efficient and cost-effective for smaller and aggregated units.

**Wider Access to  
the BM Roadmap**

**BM Contract  
Interaction**

## 2.6. Service and revenue “stacking”

In the Product Roadmap for Frequency Response and Reserve, we committed to publish and consult industry on revised exclusivity clauses within balancing services contracts.

The current exclusivity clauses place restrictions on what other commercial services, such as those to DNOs, can be provided by parties who are contracted to provide balancing services to the ESO. We published an [open letter](#) in September 2018 which set out some high level principles of service and revenue stacking and requested industry feedback. The high level principles are:

**Security of supply is maintained:** An exclusivity clause in balancing services contracts ensures the availability of resources to meet our requirements and secure the system. This exclusivity is reflected in our assessment of the price we are willing to pay for these products.

**Providers can offer multiple services to multiple entities:** Providers should be able to participate in multiple markets to diversify revenue streams.

**Assets can be contracted under two services in the same time period if the requirements of each service are not conflicting.** An example would be where an asset or portfolio of assets provides active power services and reactive power services over the same time window to the ESO or the DNO.

**Stacking is compatible with the Capacity Market (CM) Rules:** The CM Rules state that Providers can participate in “Relevant Balancing Services” at the same time as receiving CM revenues.

## 2.6. Service and revenue “stacking”

In the Product Roadmap for Frequency Response and Reserve, we committed to publish and consult industry on revised exclusivity clauses within balancing services contracts. Key themes from the consultation responses received are:

- **Overall support for the high level principles. The open letter itself and the opportunity to respond was welcomed.**
- **More clarity is needed on the specifics around mutually exclusive services, so that providers have a clear understanding of which services can and cannot currently be stacked.**
- **Lots of support for ESO / DNO collaboration. The ENA Open Networks project is seen to be essential. Alignment of procurement timescales, availability windows, and contractual terms is key to allow providers to participate in as many markets as possible.**
- In response to the feedback, we have set out which ESO services are currently compatible for stacking in the next few slides. We have split the information into services that can be stacked within an Availability Window (such as an EFA block, or other contracted period) and across different Availability Windows.
- We are engaging with the DNOs via the ENA Open Networks Project and will continue to work together throughout 2019 to support flexibility work streams.

## 2.6. Service and revenue “stacking”

The below matrix sets out which ESO services can be stacked across different Availability Windows, such as EFA blocks, using a traffic light system. If a provider already has a contract for a service on the horizontal axis, the diagram shows which services on the vertical axis can be provided during Availability Window(s) outside of the already contracted window(s).

Providers can offer single or multiple services to single or multiple buyers. The onus is on the Provider to ensure that asset(s) are available to perform under each contract they are party to. Providers can offer active and reactive services to the ESO and / or DNO across Availability Windows.

Response products					
Reserve products					
Reactive power					
Restoration – Black Start	See <a href="#">Section 2.4</a>	See <a href="#">Section 2.4</a>	See <a href="#">Section 2.4</a>	N/A	
Balancing Mechanism	<a href="#">BM contract interaction note</a>				N/A
Capacity Market			Service not listed as a Relevant Balancing Service under the CM Rules.	Service not listed as a Relevant Balancing Service under the CM Rules.	
	Response products	Reserve products	Reactive power	Restoration – Black Start	Balancing Mechanism
					Capacity Market

## 2.6. Service and revenue “stacking”

The below matrix sets out which ESO services can be stacked within an Availability Window, such an EFA block, using a traffic light system. If a provider already has a contract for a service on the horizontal axis, the diagram shows which services on the vertical axis can be provided during the same Availability Window(s) as the already contracted window(s).

Response products	EFA windows must align		See next slide for detail			
Reserve products	Services not compatible					
Reactive power			N/A			
Restoration – Black Start	See <a href="#">Section 2.4</a>	See <a href="#">Section 2.4</a>	See <a href="#">Section 2.4</a>	N/A		
Balancing Mechanism	<a href="#">BM contract interaction note</a>				N/A	
Capacity Market			Service not listed as a Relevant Balancing Service under the CM Rules.	Service not listed as a Relevant Balancing Service under the CM Rules.		N/A
	Response products	Reserve products	Reactive power	Restoration – Black Start	Balancing Mechanism	Capacity Market

## 2.6. Service and revenue “stacking”

For a single asset or portfolio of assets operating within an Availability Window:

- **Multiple services can be provided to multiple buyers over an Availability Window if the requirements of the services are compatible and the provision of one service does not impede performance under an existing contract.** An example would be where an asset or portfolio of assets provides active power services to the ESO and reactive power services to the DNO over the same time window.
- **A single active or reactive power service cannot be provided to multiple buyers over an Availability Window, as this would result in the potential for double counting of MW or Mvars.** Also, once instructed by one Operator, the provider may become unavailable for the other. This would add uncertainty and require over-procurement to compensate. This adds cost at the national scale and may make some local schemes with limited volume unworkable.
- **Multiple services can be provided to a single buyer over an Availability Window, if the requirements of the services are compatible and if the provision of one service does not impede the ability to perform against an existing contract.** An example would be where an asset or portfolio of assets provides active power services and reactive power services over the same time window to the ESO or the DNO.

## 2.7. NG ESO Forward Plan 2018/19 commitments

A key objective for NG ESO is to remove barriers to entry to balancing service markets and increase participation from non-traditional providers. The links below set out how we are achieving these Forward Plan commitments under the future of balancing services work stream:

[ESO forward plan 2018/19](#)

[ESO Stakeholder engagement report 2018/19](#)

[ESO Forward Plan Performance Metrics Definition](#)

[Future of balancing services – NG ESO website](#)

### ESO Forward Plan 2018/19 commitments:

- Promote competition and develop new markets in balancing services
- Grow participation and promote fair access in provision of balancing services
- Continual improvement of network charging processes
- Facilitate the development of the code and charging framework

Please contact us at [futureofbalancingservices@nationalgrid.com](mailto:futureofbalancingservices@nationalgrid.com) to provide feedback, or speak to your Account Manager.

## 2.8. Overview of balancing services FAQs

### NG ESO Response:

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**How can I participate if my asset(s) are <1 MW?**

If your asset(s) size is less than the required threshold, you can provide Balancing Services via an aggregator. See the list of aggregators on the DSR quick links box on the [DSR page](#) of our website for contact details.

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**Where can I find the latest tender round results for each service?**

On our website, each service page has a Market Information tab. Click on these links for Market Information Reports and tender results files:

- [FFR Market Information](#)
- [STOR Market Information](#)
- [FR Market Information](#)

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**How can domestic response assets participate?**

Please contact us at [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com) to discuss your domestic response portfolio. Domestic response portfolios can enter balancing services markets providing that all service requirements can be met, including testing.

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**Can wind / solar assets participate in balancing markets?**

Wind and solar assets do not currently participate in balancing services, but one objective of [the FFR Auction Trial](#) is to test whether closer to real time procurement removes barriers to entry for these technologies.

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This page will be updated in response to requests for information – contact us at [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com)

# 2.8. Overview of balancing services FAQs

**NG ESO Response:**

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**Do NG ESO pay for any technical upgrades required to provide services?**

NG ESO will not pay for upgrades at providers sites under standard contract terms.

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This page will be updated in response to requests for information – contact us at [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com)

### 3. Getting started - initial research

Before contacting us, **potential providers should research the Balancing Services** which National Grid ESO procures.

The following slides provide a **check list and high level summary of next steps** to support new providers initial research into providing balancing services.



## 3. Getting started – initial research contents

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3.1. Getting started: new provider check list

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3.2. Getting started: navigating the NG ESO website

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3.3. Getting started FAQs

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## 3.1. Getting started: New provider check list

✓	<b>Understand the opportunity</b> by exploring the information contained in the links provided in this document.
✓	<b>Develop the business case for your organisation</b> , to get key internal stakeholders buy in.
✓	<b>Browse the balancing services pages</b> of the <b><u>NG ESO website</u></b> .
✓	<b>Decide whether to contract via an aggregator or direct</b> with NG ESO – see our list of <b><u>Aggregator contact details</u></b> .
✓	Contact <a href="mailto:commercial.operation@nationalgrid.com">commercial.operation@nationalgrid.com</a> to <b>be assigned an Account Manager</b> . We can also be reached on the phone, from 08:30 – 16:30 weekdays: 01926 654 611.
✓	<b>Develop relationship with an Account Manager</b> . The Account Manager will assist you on your journey through to putting an agreement in place and tendering for a service, and be your main point of contact into National Grid ESO.
✓	Put <b>Framework Agreement</b> in place. See <b><u>Section 5</u></b> for more information.
✓	<b>Tender in to provide services and complete any required testing</b> prior to contract award.
✓	<b>Provide company and bank account details</b> to Settlements team.
✓	<b>Comply with any performance monitoring requests</b> following contract go-live.

## 3.2. Getting started: navigating the NG ESO website

For each service, the NG ESO website contains information under the following headings:

Overview	Technical Requirements	How to Participate	Assessment Process	Getting Paid	Market Information
<ul style="list-style-type: none"><li>■ A brief overview of the service</li><li>■ Key service information</li><li>■ Service parameters</li><li>■ Important updates and information, such as change proposals</li></ul>	<p>For example:</p> <ul style="list-style-type: none"><li>■ Minimum response energy</li><li>■ Suitable metering &amp; data transfer capabilities</li></ul>	<ul style="list-style-type: none"><li>■ Details on how to tender for the service</li><li>■ Outline of prerequisites before tendering</li><li>■ Standard contracts and other related documents</li></ul>	<ul style="list-style-type: none"><li>■ Details on how tenders will be assessed</li><li>■ Slides from tender results webinars and Q&amp;A</li><li>■ Information on how to join the results webinars</li></ul>	<ul style="list-style-type: none"><li>■ Information on the various types of payment structure for the service</li></ul>	<ul style="list-style-type: none"><li>■ Market Information Reports and data tables</li><li>■ Service review documents</li><li>■ Historic tender round results</li></ul>

## 3.3. Getting started FAQs:

### NG ESO Response:

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**Why can't you tell me more about the revenues I can expect to earn from each market?**

We do not forecast prices in our balancing services markets, but all information, including prices and volumes, from previously submitted tenders are available in the Market Information tab on each service page on our website.

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**Can you recommend an aggregator for me to work with?**

See the list of aggregators on the DSR quick links box on the [DSR page](#) of our website for contact details.

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**Where can I find additional information to support the preparation of my tender?**

See the Market Information Report for each service. Click on the links below to access these reports:

- [FFR Market Information](#)
  - [STOR Market Information](#)
  - [FR Market Information](#)
- 

This page will be updated in response to requests for information – contact us at [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com)

## 4. Account Management support

Your Account Manager is your **main point of contact with NG ESO**, and will guide you through from initial contact to preparing for Balancing Services delivery.

This section **sets out the key Provider and Account Manager responsibilities**.

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## 4. Account Management support contents

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4.1. Account Management support: Account Manager commitments and responsibilities

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4.2. Account Management support: Provider commitments and responsibilities

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# 4.1. Account Management support: Account Manager commitments and responsibilities

## Account Manager Commitments and Responsibilities

- Inform providers of the Balancing Service opportunities available at National Grid ESO.
- Act as the single point of contact into National Grid ESO through the various processes involved in becoming a balancing services provider, tendering to provide services and contract management.
- Maintain a clear record of Framework Agreements and contract information.
- Account Managers will support potential and existing providers by:
  - Raising awareness of the opportunities to provide services to NG ESO by attending and presenting at industry events and working closely with the Power Responsive team.
  - Supporting new providers through the research phase, by clarifying the available information relating to balancing service provision.
  - Managing the administrative processes involved with signing Framework Agreements
  - Receiving testing data and liaising with the testing team, where pre-delivery tests are required
  - Supporting the preparations ahead of service delivery, including ensuring that systems and processes are in place and units have been registered with the control room.
  - Supporting the resolution of queries relating to dispatch, payments and performance monitoring.
- The role of Account Managers is not to:
  - Advise providers on tender strategy or provide estimates of expected revenues from service participation
  - Provide a detailed summary of tender results (the post tender webinars provide this information)

## 4.2. Account Management support: Provider commitments and responsibilities

### Provider Commitments and Responsibilities

- Organise assets and systems suitably to provide services within the necessary parameters set by National Grid ESO.
- Read relevant Market Information Reports and take requirements set by National Grid ESO into account when tendering for services.
- Maintain a clear record of Framework Agreements and contract information.
- Comply with all testing and performance monitoring requirements.
- Copy Account Manager into all relevant communications to NG ESO and contact Account Manager in the first instance in relation to all issues and queries.
- Follow the escalation route outlined below and ensure that Account Manager is aware of the escalation prior to escalation being made:
  - Account Manager
  - Contracts Manager / Business Development Manager
  - Contracts and Settlements Manager
  - Head of Commercial Operations
- Balancing services providers should not:
  - Ask Account Managers for bilateral agreements or bespoke service terms
  - Expect responses via email or phone outside of working hours
  - Escalate without prior warning to Account Manager

## 5. Signing a Framework Agreement

A Framework Agreement **must be entered into before tendering** to provide services.

It **confirms the provider understands and agrees to the Standard Contract Terms** for the service they wish to tender in for.



## 5. Signing a Framework Agreement contents

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5.1. Signing a Framework Agreement: key principles

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5.2. Signing a Framework Agreement: process steps

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5.3. Signing a Framework Agreement: in counterpart

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5.4. Signing a Framework Agreement: duplicate

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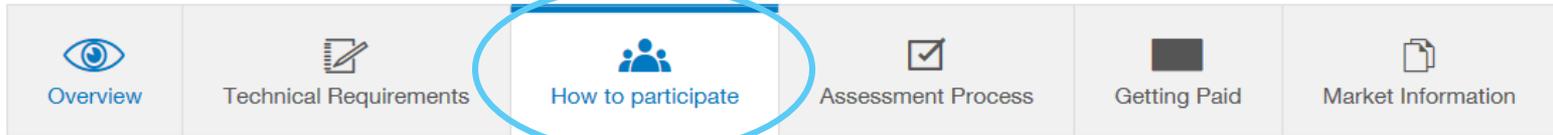
5.5. Signing a Framework Agreement: FAQs

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# 5.1. Signing a Framework Agreement: key principles

## The Framework Agreement

- Gives contractual effect to the relevant provisions of the Standard Contract Terms (SCTs) between National Grid ESO and the Provider.
- Contains service data specific to the providers Unit(s) which the provider wishes to submit a tender(s) for.
- Must be signed by the Provider and National Grid ESO before tenders can be made.
- There is a standard Framework Agreement template for each services. There are also different Framework Agreements within for different types of service procured, such as Static or Dynamic Frequency Response.
- Standard templates are available under the 'How to Participate' section for each Service on the website. No “special amendments” to standard templates will be accepted. All providers participate in competitive tenders under the same contract terms.

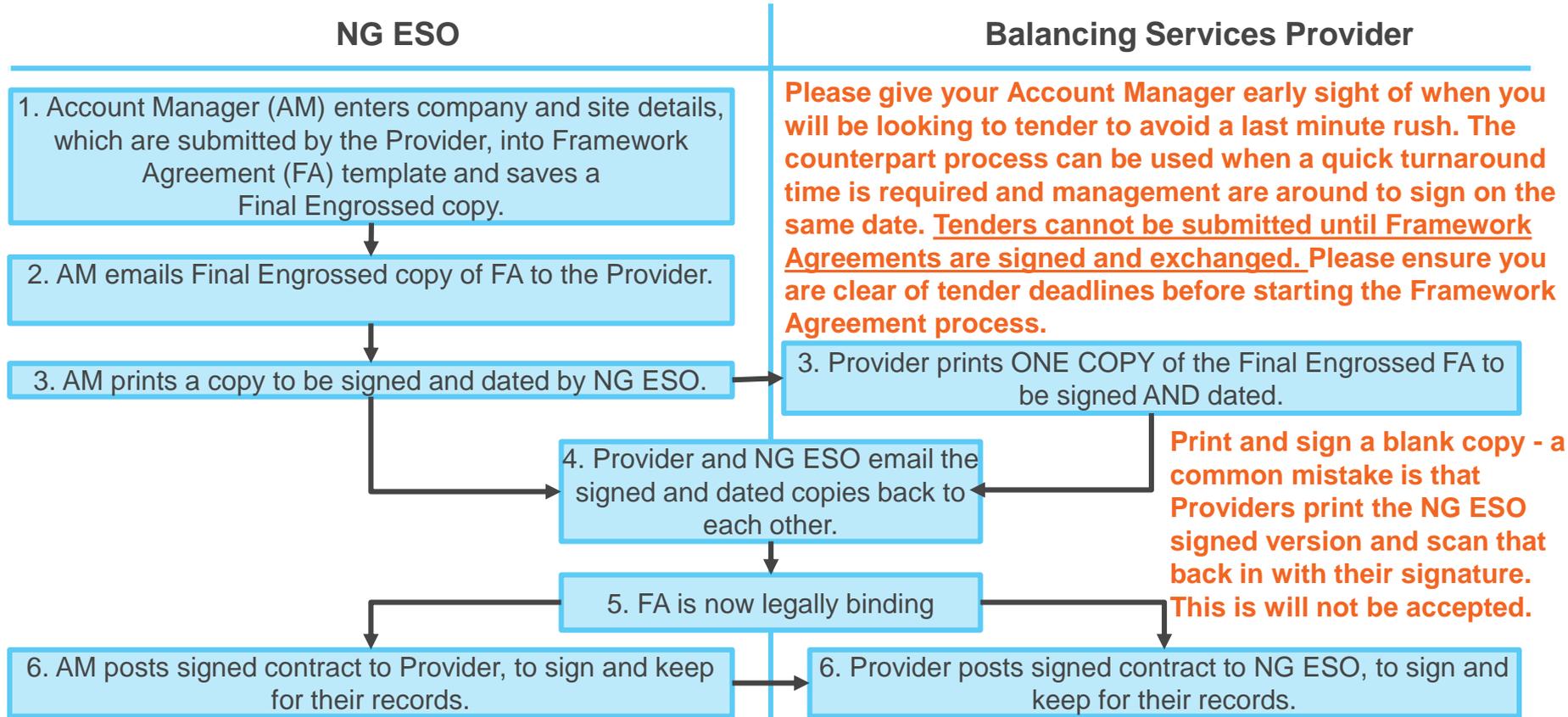


## 5.2. Signing a Framework Agreement: process steps

Please allow 3-4 weeks for this process and give your Account Manager early sight of when you will be looking to tender. Tenders cannot be submitted until Framework Agreements are signed and exchanged.

- 1 Contact your Account Manager, or [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com) to request the relevant Balancing Mechanism (BM) or Non-BM Framework Agreement template. Review the Framework Agreement alongside the relevant service SCTs.
- 2 Provide Account Manager with the company and unit details as required for the Framework Agreement, including company name / number / address / operational contacts. Your Account Manager will enter the company and unit details onto the Framework Agreement and send back to you for checking. They will then generate a contract log number for the Framework Agreement. **If the Framework Agreement is for an aggregated unit, you can provide sub-site information at a later date, but these must be provided before tender and testing (if required).**
- 3 Account Manager will start the contract approval process, which may take up to two weeks. The two methods for contract signature are counterpart, where the signatures are exchanged via email on the same day, or duplicate, where the contracts are exchanged via post. Duplicate is used as standard, unless the Provider is working under very tight deadlines and can arrange for same-day signature. See the following slides for more information on these processes.
- 4 Account Manager will register Non-BM Units. For a BM unit, a provider must register directly with our registration team.
- 5 Account Manager will arrange for you to receive access to the online tender platform. You should receive log on details.
- 6 You should complete the [Ancillary Services - New Service Provider Bank Account Form](#) and return to Settlements.

## 5.3. Signing a Framework Agreement: in counterpart



## 5.4. Signing a Framework Agreement: duplicate

### NG ESO

1. Account Manager (AM) enters company and site details into Framework Agreement (FA) template and saves a Final Engrossed copy.

2. AM emails Final Engrossed copy of FA to the Provider.

5. NG ESO sign and date two copies of the FA. FA is now legally binding.

6. AM posts one copy of signed contract to Provider.

### Balancing Services Provider

**Please allow 3-4 weeks for this process and give your Account Manager early sight of when you will be looking to tender. Tenders cannot be submitted until Framework Agreements are signed and exchanged. Please ensure you are clear of tender deadlines before starting the Framework Agreement process.**

3. Provider prints TWO COPIES of the FA and signs BUT DO NOT DATE.

4. Provider posts both copies back to NG ESO

7. Provider receives one signed copy of FA to keep for their records.

## 5.5. Signing a Framework Agreement: FAQs

### NG ESO Response:

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**What is the difference between a Framework Agreement and a contract to provide services?**

A signed Framework Agreement allows the provider to tender in to provide services. It confirms that both NG ESO and the provider agree to be bound by the Service Terms if a tender is accepted. A contract for delivery is awarded following a successful outcome in a tender round. A tender acceptance letter will confirm that a tender has been accepted and will refer to the signed Framework Agreement.

We will not be signing any new Framework Agreements with bespoke terms. A contract for delivery does guarantee service revenues, under the service terms which are the same for all providers. We recommend that project sanction is not influenced by whether a Framework Agreement with NGESO is in place because a signed Framework Agreement does not guarantee tender acceptance, and therefore revenue.

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**How do I add a new site / asset / customer to an aggregated portfolio?**

Please see section 10.1 of this document and read the specific service terms and Framework Agreement template. This process is managed via the relevant Appendix to the Framework Agreement.

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## 5.5. Signing a Framework Agreement: FAQs

### NG ESO Response:

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**How long is a Framework Agreement in force for?**

A Framework Agreement is valid from the effective date until it is terminated by either party.

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**How and when can changes be enacted to a Framework Agreement?**

Standard terms cannot be amended, but site details can be amended via the Appendix process, using the Appendices to the Framework Agreement. Section 10 outlines the steps involved in adding / re-allocating and amending site details.

We will novate Framework Agreements where company details need to be updated.

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## 6. Tendering Process

Feedback

Under development.  
Contact us to let us  
know what you would  
like to see in this  
section.

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## 7. Asset testing and performance monitoring

Under development.  
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Feedback



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## 8. Contract start and preparing for delivery

Feedback

Under development.  
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know what you would  
like to see in this  
section.

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## 9. Settlement

Feedback

Under development.  
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## 10. Change management

This section focuses on how existing providers can manage their balancing services agreements with a particular focus on aggregated units.

The following slides show the processes involved in adding / re-allocating and removing sub-sites.

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# 10. Change management contents

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10.1. Existing Providers – how to add new sub-site

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10.2. Existing Providers – how to re-allocate sub-sites

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10.3. Existing Providers – remove sub-sites

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10.4. Change management FAQs

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# 10.1. Existing Providers – add new sub-site

## NG ESO

2. Account Manager will verify the request made by the Aggregator by phoning up the site owner/operator and confirming:

- they have a contractual relationship with the Aggregator
- delivery method and site capacity

The Account manager will also check that the new sub-site is not already contracted with another provider.



3. Following checks, the Account Manager will approve the Appendix and provide an electronic copy of confirmation.

## Balancing Services Provider

1. Complete relevant Appendix (check your Framework Agreement) and send Appendix to Account Manager. Please advise the asset owner that NG ESO will be getting in contact with them. If we try a few times and cannot get through we may request the aggregator to facilitate.

**Please allow up to 2 weeks for this process and give your Account Manager early sight of when you will be looking to tender.**

Sub-site details do not need to be provided when the aggregated Framework Agreement is first signed, but sub-sites must be added to the Framework Agreement and allocated to a portfolio via the relevant Appendix before test data and tenders can be submitted. **Providers may only submit tenders against volume which is listed on the Framework Agreement. If the volume is not included in the Framework Agreement, via the relevant Appendix, the tender volume will be restricted to the volume that is included on the Framework Agreement.**

## 10.2. Existing Providers – re-allocate sub-sites

### NG ESO

2. Account Manager will verify the request made by the Aggregator. If the aggregate capacity of the sub-sites is less than the contracted MW of the aggregated unit, the Appendix 9 request will be rejected.

3. Following checks, the Account Manager will approve the Appendix and provide an electronic copy of confirmation.

### Balancing Services Provider

1. Complete relevant Appendix (check your Framework Agreement) and send Appendix to Account Manager.

**Please allow up to 2 weeks for this process and give your Account Manager early sight of when you will be looking to tender.**

Sub-site details do not need to be provided when the aggregated Framework Agreement is first signed, but sub-sites must be added to the Framework Agreement and allocated to a portfolio via the relevant Appendix before test data and tenders can be submitted. **Providers may only submit tenders against volume which is listed on the Framework Agreement. If the volume is not included in the Framework Agreement, via the relevant Appendix, the tender volume will be restricted to the volume that is included on the Framework Agreement.**

## 10.3. Existing Providers – remove sub-sites

**NG ESO**

**Balancing Services Provider**

3. Following checks, the Account Manager will approve the Appendix and provide an electronic copy of confirmation.

1. Complete relevant Appendix and send Appendix to Account Manager.

# 10.4. Change management - FAQs

NG ESO Response:

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# 11. Query Management

Feedback

Under development.  
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know what you would  
like to see in this  
section.

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## 12. Stay updated and contact us

[Commercial.operation@nationalgrid.com](mailto:Commercial.operation@nationalgrid.com)

[futureofbalancingservices@nationalgrid.com](mailto:futureofbalancingservices@nationalgrid.com)

Team phone: 01926 654611

[Sign up for updates on the future of balancing services](#)

[Feedback on Balancing Services Product Roadmaps - Reactive Power and Restoration](#)

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Feedback



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