

# STOR Outline Change Proposals Document (OCP-10)

1<sup>st</sup> November 2018



# Executive Summary

National Grid is seeking to continually develop and evolve the Short Term Operating Reserve (STOR) service in response to industry feedback upon the service. The output of this work is this annual review where National Grid proposes changes with the twin objectives of:

1. Removing complexity or unduly onerous provisions from the contract form in order to remove barriers to participation and facilitate competition in the STOR market.
2. To ensure that STOR continues to offer an appropriate balancing service and to contribute to the lower costs of operating the National Electricity Transmission System paid by GB consumers.

As a result of the approval of BSC Modification P354 by Ofgem, changes are required to the STOR Standard Contract Terms (SCTs) to incorporate the requirements set out in P354.

Views are invited from the industry on the issue highlighted in this document, in addition to any other issues that industry members consider worthy of raising with a view to improving the STOR service.

Responses to this consultation should be sent to;

[commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com), copying in [Haarith.dhorat@NationalGrid.com](mailto:Haarith.dhorat@NationalGrid.com)

by 5pm on 29 November 2018

# Short Term Operating Reserve

## Background

In order to ensure that we are able to deal with actual demand being greater than forecast demand and/or unforeseen generation unavailability, as system operator of the transmission network, National Grid requires access to extra power in the form of either generation or demand reduction during certain periods of the day. These additional sources of power are referred to as 'Reserve' and comprise synchronised and non-synchronised sources.

National Grid procures the non-synchronised requirement primarily by contracting for STOR via a competitive tender process from a range of service providers, for example in the form of standby generation and/or demand reduction from parties that may or may not participate in the Balancing Mechanism (BM).

STOR is a contracted Balancing Service whereby the service provider delivers a contracted level of power when instructed by National Grid, within pre-agreed parameters. The requirement for STOR varies depending on the time of year, week and day, being a function of the system demand profile at that time. The minimum capability requirements for the service are as follows:

- A minimum contracted capability of 3MW;
- A maximum response time for the delivery of the minimum contracted MW within 4 hours of receipt of an instruction from National Grid; and
- the ability to deliver the contracted MW for a continuous period of not less than 2 hours.

There are three types of STOR service:

- Committed;
- Flexible, and;
- Premium Flexible service.

The principal contractual provisions relating to the STOR service are contained in the Short Term Operating Reserve Standard Contract Terms Issue #10 (dated 21 December 2016) which is available on the National Grid website.

## Amending the Standard Contract Terms

Clause 1.2 of the STOR Standard Contract Terms obliges National Grid to review the SCTs from time to time, and where at any time National Grid wishes to propose one or more amendments, then it may at its sole discretion do so by formulating an Outline Change Proposal (OCP), the contents of which shall include without limitation: -

- the rationale for the amendment(s), including whether or not required as a result of a Proposed Legal Requirement or Change in Law;
- if applicable, details of the Proposed Legal Requirement or Change in Law; and
- The Proposed Implementation Date.

Each OCP shall be notified by National Grid to all signatories of STOR Framework Agreements (Reserve Providers) in writing, giving a reasonable opportunity and, in any event, not less than 20 Business Days to review and provide National Grid with written comments. National Grid may then either withdraw, modify or implement the OCP as per clause 1.2.5. National Grid have decided to modify the OCP as per this document and invite participants to respond to this OCP.

OCP-10 considers changes to the SCTs with a view to proposing amendments with an Implementation Date of and XX XXX 20XX. We invite responses to each of OCP-10 from both existing, and potential future Reserve Providers.

The amendments proposed in OCP-10 arise from the approval by Ofgem (Authority) of BSC Modification P354 "Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level". Accordingly, National Grid considers those changes to be required as a result of a Change in Law.

It should be noted by Reserve Providers and other interested parties that this document, insofar as it summarises the SCTs, is intended for guidance only and should not be relied upon, and Reserve Providers and other interested parties are directed to the SCTs available on the National Grid website.

Following the 2010 STOR review it was determined that the previous timescales allowed for providers to respond to the recommendations and the time allotted to National Grid to give due consideration to these was insufficient. As such these timescales were amended, as now stated in Section 1.2 of the Standard Contract Terms.

## OUTLINE CHANGE PROPOSAL – 10

### P354

The BSC Modification allows for imbalance adjustment to be performed in relation to non-BM Balancing Services volumes for STOR. Changes are required to the STOR SCTs to outline the requirements on Reserve Providers and National Grid to provide data to Elexon to adjust imbalance volumes in the relevant Supplier energy accounts.

At a high level the process will be as follows:

#### Pre-instruction

- Reserve providers with existing contracts submit MSID data to National Grid 20 Business Days prior to implementation of P354 (1 April 2020)
- Providers with new contracts entered into after the implementation date, submit MSID data to National Grid at least Business Days prior to contract go-live
- Changes to MSID data for a live contract must be notified to National Grid.
- For all the above steps, National Grid share MSID data with Elexon

#### Post Instruction – Where D is the day of a STOR instruction

- Reserve provider submits operational metering at a unit level (as per current process via SRD) by D+5
- National Grid determines the collared delivered volume at a unit level and shares with Reserve Provider by D+20
- Reserve provider determines the collared volume at the MSID level and sends to National Grid by D+35
- National Grid verifies the disaggregated data and shares with Elexon by D+42

Where errors are identified, either with the MSID data or metering data, all parties shall endeavour to correct the information

Question 1:

Do you have any comments on the high level process set out above with regards to the sharing of information for the purposes of delivering P354?

Responses

National Grid welcomes responses from the industry on any of the issues raised in this Outline Change Proposals Document, in addition to any other issues that industry members consider worthy of raising with a view to improving the way in which the STOR service normally operates.

Any questions regarding the content of this Outline Change Proposals Document should be directed to [Haarith.dhorat@Nationalgrid.com](mailto:Haarith.dhorat@Nationalgrid.com).

All responses to this document should be emailed to [commercial.operation@nationalgrid.com](mailto:commercial.operation@nationalgrid.com) by no later than 5pm on 29 November 2018. Please note that unless marked as 'Confidential', all responses will be published on the National Grid Website.

## Glossary of Terms

BM	Balancing Mechanism
CUSC	Connection and Use of System Code
DCP	Detailed Change Proposals
ITT Pack	Invitation To Tender Pack
MW	Megawatt
OCP	Outline Change Proposals
SCTs	Standard Contract Terms
STOR	Short Term Operating Reserve

Faraday House, Warwick Technology Park,  
Gallow s Hill, Warw ick, CV346DA

[nationalgrideso.com](http://nationalgrideso.com)

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