Public

Static Frequency Response Reform January Webinar

Webinar 15/05/2025 Q & A

Contents

Cease instructions

- *If a Hz deload is used but isn't reached can the delivery still end at 30mins?*

Yes - The proposal is to introduce a cease instruction, with a maximum delivery of 30 minutes if no instructions is received.

- *As you don't want cease to be unhelpfully coordinated (herded), what about permitting staggered return for load sites? Or stochastic return, with energy users returning to normal in accordance with their own business processes. This would also make participation easier, increasing liquidity.*

Thank you for this suggestion, we want to explore all options that can help us stagger the returning of units. It would be good to have a follow up conversation on this proposal, to understand how it compares to current proposal of an early cease instruction and minimum activation period.

- *What form is the cease instruction from ENCC expected to take e.g. signal sent to unit directly or request made to operator who then implements the instruction?*

We are thinking it would be a request to the operator who then implements the instruction, however we are open to suggestions from providers if they believe another approach would be more appropriate.

- *On average, how quickly do we manage to get back to 50Hz currently? What is the likely timescale ranges for the cease instructions*

How quickly the frequency returns to 50Hz depends on the size of the fault and system conditions at the time. In post-fault situations we need to ensure that system frequency returns to operational limits in 15 minutes, however we often achieve this much quicker. As discussed on the call, it would be good to get feedback from providers around whether they would need to be running for a minimum period before receiving a cease instruction.

- *A few years ago Centrica had a semi-dynamic contract where a volume responded at 49.8hz but immediately ceased when the frequency recovered to 50hz… often less than a minute… could this not be an option?*

One of the options presented today looked at a frequency trigger to stop delivery, which uses the same concept as the one mentioned here. Whilst it is definitely an option, we don't believe it is the most optimal approach when you apply to a full service, as it still results in all units stopping delivery at the same time. We are however open to conversations around the proposal put forward and what could work for providers to help avoid this.

Operational metering

- *Do you perceive that live operational data create a barrier to entry for FFR?*

We understand that this requirement is an extra challenge and cost for some providers. Through speaking with providers, we do believe real-time metering is available from many sites already, however. As discussed in the webinar, we want to explore what we can do to minimise the cost and impact while retaining/enhancing the value of the service. As mentioned, that visibility to the control room has the potential to increase the volumes we look to procure from the service.

- *I was always happy that frequency response services require a high data rate in operational metering. Would rapid and consistent operational metering allow more flexibility in the cease requirements?*

It helps a little, but the risk around ceasing is as much around timing as it is around volume: if the moment of return happens to coincide with another incident, just knowing the volume that's returning isn't much help. It would be good to discuss if you see any limitations around the cease requirements suggested.

Service parameters

- *One of the old static response products (FCDM) had 2s delivery. Is there value in static response at that timescale? 30s seems like a very leisurely timescale, given what load response is generally capable of.*

There are multiple ways to resolve a sudden frequency imbalance, and in the containment process, using slower resources usually requires the remaining response to be faster to compensate. We don't believe a 2 second response time is in general fast enough to contribute effectively towards our containment requirement, which is why we standardised Dynamic Containment to 1 second. At this stage we feel like the lowest cost way for providers to deliver static is with the longer 30s requirement, which is perfectly adequate to contribute towards our recovery to statutory limits within 60 seconds, this is why we suggest keeping this requirement in place.

- *Would assessment of an asset which has to respond faster due to operational metering limitations (the example you used was 10 sec metering and full response in 20 secs) be the same as other assets able to meet 1hz metering and 30 sec delivery?*

Yes – the value of the service provided by the two assets would be the same, so they would be assessed in the same way.

Other

- *Getting clarity for control room makes sense, but is there an advantage of removing 250MW cap on sFFR over procuring more DCL as there are enough batteries to provide that service?*

While we look to maximise welfare across the combination of sFFR and DC auctions currently, we are looking to further improve this by having the auctions run together in the future so that they can be co-optimised. This means that we may already procure additional DC and less than the 250MW in sFFR, if the prices in the market dictate. The procurement limit of 250MW is driven by a lack of visibility and control of the units participating in the market, not as a cost measure.

- *Isn't 250mw of DC low cheaper than 250mw static given the frequency of a 49.7hz event? Much faster responding too*

It can be, but procuring static at a potentially higher price can still improve overall welfare by releasing potential DC providers to compete in other markets.

- *Hi, a lot of questions were asked and feedback is being sought, is NESO delivering these in a list and respondents email or upload answers to a portal?*

Yes – We aim to publish Q & A documents following events.

- *Noting the proposals today, will the response from providers here also feed into learning for a possible future replacement service? This service has been through some iterations in recent time*

The decision about whether a replacement service is needed or whether we just keep making changes to SFFR is still to be made – largely driven by the scope of the changes. We will likely be adopting an iterative approach to any changes, so we can align any reforms with other ancillary service and system updates across the business.