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Workgroup Consultation Response Proforma

GC0166: Introducing new Balancing Mechanism Parameters for Limited Duration Assets

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to grid.code@nationalenergyso.com by 5pm on 09 December 2024. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Milly Lewis Milly.Lewis@nationalenergyso.com or grid.code@nationalenergyso.com

Respondent details	Please enter your details	
Respondent name:	Georgina Morris-Rowbottom	
Company name:	Zenobē Energy Limited	
Email address:	Georgina.morris-rowbottom@zenobe.com	
Phone number:	07876532416	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input checked="" type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

I wish my response to be:

(Please mark the relevant box)

☒ **Non-Confidential** (this will be shared with industry and the Panel for further consideration)

☐ **Confidential** (this will be disclosed to the Authority in full but, unless specified, will not be shared with the Workgroup, Panel or the industry for further consideration)

For reference the Applicable Grid Code Objectives are:

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- a) *To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity*
- b) *Facilitating effective competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);*
- c) *Subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole;*
- d) *To efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and*
- e) *To promote efficiency in the implementation and administration of the Grid Code arrangements*

For reference, (for consultation questions 6 & 7) the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) *fostering effective competition, non-discrimination and transparency in balancing markets;*
- b) *enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) *integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) *contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) *ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) *facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) *facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

What is the EBR?

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the ESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

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Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the Original Proposal and/or any potential alternatives better facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe the Original Solution better facilitates:</p> <p>Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E</p> <p>Click or tap here to enter text.</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Subject to the relevant caveats outlined in our response.</p>
3	Do you have any other comments?	<p><u>Accuracy Acceptance</u></p> <ul style="list-style-type: none"> Ancillary Service Auction Results: We feel that ancillary service auction results will have a significant impact on a battery's SoC. Specifically, response contracts have a significant impact on the projected SoC for battery assets. We believe that there is a need to clearly define the accuracy acceptance framework, which should outline requirements for both before and after ancillary service auction results, to avoid ambiguity. Before Auction Results: The accuracy threshold could be more lenient to accommodate the inherent uncertainty at this stage. After Auction Results: A stricter accuracy threshold should apply, reflecting the increased certainty post-auction. <p>NESO should continue to engage with battery stakeholders to define measurable and agreed standards for acceptable accuracy, expressed as percentage tolerances, both before and after auction results are published.</p> <p><u>NESO's Use of Data</u></p> <ul style="list-style-type: none"> Transparency in Data Integration: NESO's approach to integrating data from these parameters into its systems, especially for day-ahead planning and reserve allocation over different timescales, lacks sufficient clarity. While the emphasis on the type of data that industry can provide is important, stakeholders also need:

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		<ul style="list-style-type: none"> • Detailed Use Cases: NESO should publish detailed documentation on how it plans to use these data feeds in operational processes and planning. • Feedback Loops: Establish mechanisms for reporting on how the data integration impacts system performance, with the opportunity for regular feedback from industry participants. <p><u>Ability to Redeclare Post Gate Closure</u></p> <ul style="list-style-type: none"> • Greater Flexibility in Redeclaration Rules: The option to redeclare following a BOA (Bid Offer Acceptance) or technical failure is a positive step. However, the proposed rules allowing redeclaration only when ancillary services deplete the asset are too restrictive and do not reflect typical operational realities. As an alternative, we recommend: • Threshold-Based Redeclaration: Introduce a redeclaration trigger based on a percentage threshold where SoC deviations (e.g., 30%-50%) are significant enough to warrant redeclaration. The specific threshold ('X') should be determined through industry collaboration to strike the right balance between operational flexibility and NESO's need for certainty. <p><u>Timelines</u></p> <ul style="list-style-type: none"> • Critical Path for Delivery: The introduction of new parameters, particularly those related to Future State of Energy, is crucial to helping NESO meet its targets for efficient dispatch and achieving parity with BM Skips. There have already been multiple delays in the GC0166 timeline, so we propose NESO implements effective processes to avoid any further delays. To ensure these timelines are met, we recommend: • Prioritising Delivery: Treat the system changes need to deliver this code modification as critical path items and include in the scheduling of OBP activities – whilst there are multiple updates planned on OBP, true BM Skips parity cannot be achieved without these parameters, so we propose that NESO integrate their delivery into their delivery plans to achieve their targets for 2025. • Mitigate Delays: Implement processes to avoid further delays, such as
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4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p><input type="checkbox"/> Yes (the request form can be found in the Workgroup Consultation Section)</p> <p><input checked="" type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
5	Does the draft legal text satisfy the intent of the modification?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
6	Do you agree with the Workgroup's assessment that the modification does impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Grid Code?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>
7	Do you have any comments on the impact of the modification on the EBR Objectives?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>

Specific Workgroup Consultation questions

8	Do you agree with the Proposer that the solution should be technology neutral or with several Workgroup members who thought the solution should be based on asset type?	<p><input checked="" type="checkbox"/> Technology neutral</p> <p><input type="checkbox"/> Based on asst type</p> <p>Zenobē does not have a strong opinion on this matter.</p>
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9	Are you clear on what is meant by limited/ unlimited?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
10	Do you agree that MDO/ MDB are technical dynamic parameters	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No To address the concern raised about the inability to meet PNs due to restrictions on redeclarations within a PN window, we propose relaxing the criteria for when redeclarations are permitted. Please refer to our response to Question 3 ('Ability to Redeclare After Gate Closure').
11	Do you see there being an interaction between MIL/ MEL between MDO and MDB?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.
12	Is it clear from the definition of FSoE that this should be calculated at the point where it can be imported/ exported to the Total System?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
13	Is it credible for the proposed level of FSoE accuracy to be achieved over the proposed time horizon (up to 33hrs)?	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No <u>Accuracy Acceptance</u> <ul style="list-style-type: none"> Ancillary Service Auction Results: We feel that ancillary service auction results will have a significant impact on a battery's SoC. Specifically, response contracts have a significant impact on the projected SoC for battery assets. We believe that there is a need to clearly define the accuracy acceptance framework, which should outline requirements for both before and after ancillary service auction results, to avoid ambiguity. Before Auction Results: The accuracy threshold could be more lenient to accommodate the inherent uncertainty at this stage. After Auction Results: A stricter accuracy threshold should apply, reflecting the increased certainty post-auction. NESO should continue to engage with battery stakeholders to define measurable and agreed standards for acceptable

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		<p>accuracy, expressed as percentage tolerances, both before and after auction results are published.</p> <p><u>Ability to Redeclare Post Gate Closure</u></p> <ul style="list-style-type: none"> • Greater Flexibility in Redecoration Rules: The option to redeclare following a BOA (Bid Offer Acceptance) or technical failure is a positive step. However, the proposed rules allowing redeclaration only when ancillary services deplete the asset are too restrictive and do not reflect typical operational realities. As an alternative, we recommend: • Threshold-Based Redecoration: Introduce a redeclaration trigger based on a percentage threshold where SoC deviations (e.g., 30%-50%) are significant enough to warrant redeclaration. The specific threshold ('X') should be determined through industry collaboration to strike the right balance between operational flexibility and NESO's need for certainty.
14	How do you think NESO can/ should use FSoE and Asset Specific models in their system planning, considering market activity also continues within day, and commercial interactivity with operational "limits"?	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><u>NESO's Use of Data</u></p> <ul style="list-style-type: none"> • Transparency in Data Integration: NESO's approach to integrating data from these parameters into its systems, especially for day-ahead planning and reserve allocation over different timescales, lacks sufficient clarity. While the emphasis on the type of data that industry can provide is important, stakeholders also need: • Detailed Use Cases: NESO should publish detailed documentation on how it plans to use these data feeds in operational processes and planning. • Feedback Loops: Establish mechanisms for reporting on how the data integration impacts system performance, with the opportunity for regular feedback from industry participants.
15	Is it clear whether FSoE is proposed or considered as either a 'technical' or 'commercial' parameter?	<p><input checked="" type="checkbox"/> Technical parameter <input type="checkbox"/> Commercial parameter</p> <p>As with MDO/MDB the treatment around ancillary services should be clarified</p>

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16	Is it clear from the definition of MDO and MDB that NESO can send multiple instructions up to the volume declared?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
17	Is it clear that the services referenced within the definitions of MDO and MDB are only during the BM Window?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
18	Do the restrictions in BC2.5.3.4 strike the right balance between flexibility and operability?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <u>Accuracy Acceptance</u> <ul style="list-style-type: none"> • Ancillary Service Auction Results: We feel that ancillary service auction results will have a significant impact on a battery's SoC. Specifically, response contracts have a significant impact on the projected SoC for battery assets. We believe that there is a need to clearly define the accuracy acceptance framework, which should outline requirements for both before and after ancillary service auction results, to avoid ambiguity. • Before Auction Results: The accuracy threshold could be more lenient to accommodate the inherent uncertainty at this stage. • After Auction Results: A stricter accuracy threshold should apply, reflecting the increased certainty post-auction. <p>NESO should continue to engage with battery stakeholders to define measurable and agreed standards for acceptable accuracy, expressed as percentage tolerances, both before and after auction results are published.</p> <u>Ability to Redeclare Post Gate Closure</u> <ul style="list-style-type: none"> • Greater Flexibility in Redecoration Rules: The option to redeclare following a BOA (Bid Offer Acceptance) or technical failure is a positive step. However, the proposed rules allowing redeclaration only when ancillary services deplete the asset are too restrictive and do not reflect

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		<p>typical operational realities. As an alternative, we recommend:</p> <ul style="list-style-type: none"> Threshold-Based Redeclaration: Introduce a redeclaration trigger based on a percentage threshold where SoC deviations (e.g., 30%-50%) are significant enough to warrant redeclaration. The specific threshold ('X') should be determined through industry collaboration to strike the right balance between operational flexibility and NESO's need for certainty.
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