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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:	Simon Lord	
Company name:	Engie	
Email address:	simon.lord@engie.com	
Phone number:	07980793692	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input checked="" type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input 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 type="checkbox"/> B <input 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 type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Given the impact on providers then the implementation should be 12 months after an Ofgem decision.</p>
3	Do you have any other comments?	<p>Whilst in principle we support the provision of this information to NESO, the legal text does not provide sufficient detail around:</p> <ol style="list-style-type: none"> 1) the issue associated with multiple BMUs being supplied from one storage source has not been set out. 2) if a provider can provide full delivery for the BM Window then the actions/data that they are required to submit needs more detail, i.e. a null entry, 90 mins of offers/bids or the default value of 9999. The text needs to be clear on this issue. <p>Further, the devised solution requires all providers to allow for the full delivery of any contracted services. Whilst this is helpful for the NESO it will have an impact on the traded market as the “reserved volume” will be held back from the market even though it is unlikely to be used.</p>
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 type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>See comments in Q3</p>
6	Do you agree with the Workgroup's assessment	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

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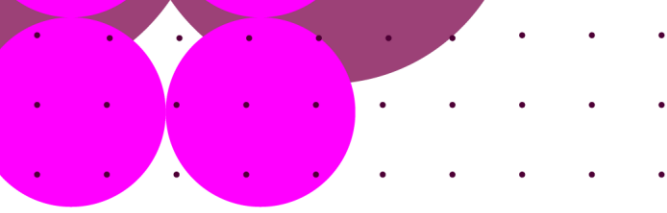
	that the modification does impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Grid Code?	Click or tap here to enter text.
7	Do you have any comments on the impact of the modification on the EBR Objectives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.

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?	<input type="checkbox"/> Technology neutral <input checked="" type="checkbox"/> Based on asset type Whilst technology neutral is a good place to start this will capture many different types of plant that the NESO is not interested in. This will place a burden on these providers that is disproportionate to the benefit with the resulting industry cost and ultimately higher consumer costs. This should be limited to storage modules and potentially pumped storage plant as these are the only types the NESO is actually interested in capturing.
9	Are you clear on what is meant by limited/ unlimited?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No See Q3. The modification will require all plant (irrespective of its storage / capability or fuel source) to provide data. Nuclear, gas , solar, wind will all be required to submit data. The limited/unlimited is not referenced in the text as the modification covers all BMUs.
10	Do you agree that MDO/ MDB are technical dynamic parameters	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
11	Do you see there being an interaction between MIL/ MEL between MDO and MDB?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Once MDO/MDB has been implemented there should not be an interaction with MIL/MEL.
12	Is it clear from the definition of FSoE that	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	this should be calculated at the point where it can be imported/ exported to the Total System?	Set out in the definition.
13	Is it credible for the proposed level of FSoE accuracy to be achieved over the proposed time horizon (up to 33hrs)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Accuracy beyond the BM window will be subject to adjustments driven by commercial and environmental issues.
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"?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No NESO should use them as they see fit.
15	Is it clear whether FSoE is proposed or considered as either a 'technical' or 'commercial' parameter?	<input checked="" type="checkbox"/> Technical parameter <input type="checkbox"/> Commercial parameter These should be technical parameters.
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No This could do with being clarified.
18	Do the restrictions in BC2.5.3.4 strike the right balance between flexibility and operability?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.



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