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Code Administrator 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 **06 June 2025**. 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 claire.goult@nationalenergyso.com or grid.code@nationalenergyso.com

Respondent details	Please enter your details	
Respondent name:	Mark Steger	
Company name:	EDF Energy	
Email address:	mark.steger@edfenergy.com	
Phone number:	Click or tap here to enter text.	
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 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*)

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

For reference the Applicable Grid Code Objectives are:

- i. *To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity*
- ii. *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);*
- iii. *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;*
- iv. *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*
- v. *To promote efficiency in the implementation and administration of the Grid Code arrangements*

* See Electricity System Operator Licence

For reference, (for consultation questions 5 & 6) the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) *fostering effective competition, non-discrimination and transparency in balancing markets;*

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- 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

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Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the NESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

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

Standard Code Administrator Consultation questions				
1	Please provide your assessment for the proposed solution against the Applicable Objectives against the current baseline?	<p>Mark the Objectives which you believe the proposed solution better facilitates than the current baseline:</p> <table border="1"> <tr> <td>Original</td> <td> <input checked="" type="checkbox"/>i <input checked="" type="checkbox"/>ii <input checked="" type="checkbox"/>iii <input checked="" type="checkbox"/>iv <input checked="" type="checkbox"/>v <input type="checkbox"/>None </td> </tr> </table> <p>It seems clear that the proposed solution better facilitates the Applicable Objectives compared to the current baseline. It significantly improves the efficiency, coordination, and economical operation of the system by allowing “Electricity Storage Modules” to inform NESO of available energy over time, thus enhancing operational planning and management from NESO’s perspective. It also facilitates competition by dispatching based on accurate asset capabilities. Additionally, the proposal should help to enhance system security and efficiency by improving the use of limited duration assets.</p>	Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input checked="" type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input checked="" type="checkbox"/> v <input type="checkbox"/> None
Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input checked="" type="checkbox"/> iii <input checked="" type="checkbox"/> iv <input checked="" type="checkbox"/> v <input type="checkbox"/> None			
2	Do you have a preferred proposed solution?	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Baseline <input type="checkbox"/> No preference		

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3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
4	Do you have any other comments?	<p>The new parameters being introduced (MDO, MDB) alongside the Future State of Energy (FSOE) model will represent a welcome step forward from the current 30-minute rule for both NESO and storage technology operators. The greatly improved accuracy of data for operational- and planning-purposes will lead to a more efficient use of storage assets.</p> <p>We believe that, whilst this modification will enhance the ability of NESO to manage the transmission system using storage technology, further amendments may be required in the future to accommodate hybrid technologies that combine storage with renewable energy generation (e.g. co-located solar).</p> <p>We respectfully request that NESO publishes the detailed requirements in terms of data to support the FSOE model promptly, so that participants have as much time and information as possible to make the required modifications to processes and systems.</p>
5	Do you agree with the Workgroup's assessment that the modification does impact the Electricity Balancing Regulation (EBR) Article 18 terms and	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.

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	conditions held within the Code?	
6	Do you have any comments on the impact of the modification on the EBR Objectives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>GC0166 significantly impacts the EBR Objectives by enhancing market efficiency through the introduction of new dynamic parameters that should increase and optimise the use of storage technologies and help with dispatch decisions. The modification contributes to the security of supply and facilitates the integration of renewable energy sources by better managing their intermittency. The proposed solution should prove to be very cost-effective by enabling more efficient dispatch of storage assets. Additionally, it ensures non-discriminatory access to the BM for more participants, fostering fair competition.</p>