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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:	Andrew Allan	
Company name:	RWE Supply & Trading GmbH	
Email address:	andrew.allan@rwe.com	
Phone number:	07887 057970	
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?	Mark the Objectives which you believe the proposed solution better facilitates than the current baseline:	
		Original	<input checked="" type="checkbox"/> i <input checked="" type="checkbox"/> ii <input type="checkbox"/> iii <input type="checkbox"/> iv <input type="checkbox"/> v <input type="checkbox"/> None
		<p>We agree that the intention of the proposed change would be an improvement with respect to removing the need for the “[15/]30 minute rule”, and thus assist in the system being efficient in operation, and ensuring appropriate competition such that the market ultimately delivers the best results for consumers.</p> <p>However, we highlight concern with the quality of the drafting of the legal text which we believe is in itself is not sufficient for parties to fully understand what is required of them and to how this should be implemented in practice. This lack of rigour around legal text is a recurring theme, which for example is causing significant post-implementation issues for understanding actual</p>	

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		requirements of GC0148/0156 related to Electricity System Restoration Standard.
2	Do you have a preferred proposed solution?	<input checked="" type="checkbox"/> Original <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		Subject to the concerns and caveats stated within this response.
3	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		The 6-12 months referenced to be ready for activation should be linked to NESO having designed, clearly defined, and comprehensively published the system and process requirements that industry counterparties require to understand, before we can design and implement our solutions. This should not be referenced to the implementation date.
4	Do you have any other comments?	While we believe we understand the intent of the solution, and expect there to be some benefit over the Baseline, we are disappointed with the lack of clarity and general quality of the legal text drafting, and resultant need for associated guidance/examples – which are also poorly

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		<p>prepared and not comprehensive in nature, for what is a relatively complex concept.</p> <p>We expect this will be a source of confusion in future. In particular we highlight that the relationship between the MEL/MIL and MDO/MDB parameters is not yet clear for some types of assets, and are disappointed that the Proposer would not acknowledge this relationship in Workgroup, stating simply it was “out of scope”.</p>
5	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 Code?	<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 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>