

# Consultation Drop-in Sessions Q&A

Question	Answer
<p>Continuous Transition Period (CTP)</p>	
<p>At the start of a contracted period without a previous contract, the CTP is included in SP1, breaking the 30min SP duration convention. Would it be better to include an extra SP including only the 10s of delivery?</p>	<p>Having an additional Settlement Period (SP) for the CTP would mean that EFA blocks vary in the number of SPs, depending on whether the provider was contracted or not in the preceding EFA block. This would lead to additional complications in performance monitoring for NESO. Under the proposed arrangements SP1 does not change in duration, but the k factor for it is impacted by the k-factor during the SP.</p>
<p>Currently, with the proposed changes to the Response Services Service Terms, it is rather unclear how exactly the performance will be calculated/assessed. Can NESO work on sharing the fully worked out equations with the industry as soon as possible to enable an effective consultation? Thanks.</p>	<p>We are working on detailed guidance for CTP that will cover edge case scenarios. The Service Terms will also be updated with additional clarity and information prior to submission to OFGEM.</p>
<p>Thank you for these slides. Pushing harder on our response to the CTP proposal, we don't fully support this change until the technical feasibility issues, performance impacts and specification gaps are resolved. Can you commit to much more detail in the coming months?</p>	<p>Yes, we will be working to resolve these issues and provide clarity to industry prior to submission to OFGEM.</p>
<p>In the previous discussions, NESO's position was that two consecutive contracts should be treated as independent; particularly with state of charge management. Is this not in conflict with previous approach? Penalties can be incurred by EFA1 for obligations of EFA2 in this approach.</p>	<p>If providers have back-to-back response contracts, the penalties for CTP will be allocated to the final SP of the first contracted period (or EFA1 in this example). The delivery volume during the CTP in this scenario will be impacted by the contracted volumes in EFA1 and EFA2, however the performance being</p>

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	evaluated is during EFA1 and therefore impacts EFA1.
<b>Tiered Performance Regime</b>	
Will Tiered Performance Regime decisions be made public or will they only be known to the relevant provider? E.g. Provider name, EFA block, penalty outcome, etc?	Non-anonymised data will be published 13 months in arrears due to the appeals process. Performance of a unit in Tiered Performance Regime will be sent to the provider weekly
Re: the "edge cases" around the number of Settlement Periods and EFA blocks considered for TTR; what happens through the rest of the year? e.g will the 2 SPs just be excluded? What happens if the Unit is contracted for more than 8834 SPs? Isn't this just introducing more edge cases?	The performance calculations for tiers are accumulated over 6 months rolling window. Highest number of contracted settlement periods a unit can have over 6 months is 8834 between July and December for settlement month December. This includes 2 settlement periods during BST to GMT clock change.
Surely it is not too complex to calculate the actual number of Settlement Periods and EFA blocks during a month; is it really necessary to introduce another level of misalignment of the number of SPs or EFA blocks depending on the context?	The data window we are looking at covers 6 months. The penalties relevant to the tier are applied to the last of these 6 months. We decided that having fixed values for the tier thresholds will be easier to implement and communicate, than having dynamic values depending on which months are covered in the 6-month data window. The 6-month period should also allow additional time for issues that result in a bad week or month being recoverable over a longer period rather than potentially having a large impact on that given month.
Could you give some concrete examples of "gaming checks"?	The gaming checks are checks that will highlight potential manipulation of data to mask poor performance, or malicious behaviour within the service. It's important to note that these checks do not trigger an automated penalty and will be investigated further by the account managers before any penalty is triggered.
When you say that Gaming Checks won't be automatic - understand that just means the penalty decision won't be automatic. But presumably there will be automated	Yes, that is correct. The process of the checks is automated but the penalties will not be triggered automatically, an investigation will be undertaken first.

<p>processes in place to flag to NESO occurrences to investigate, is that right?</p>	
<h2>State of Energy</h2>	
<p>Why can't the allowance of going outside SOE requirements due to utilisation continue across multiple EFA blocks?</p>	<p>We require providers to start the EFA block with the Contracted Response Energy volume to ensure that they have volume to deliver during that contracted service window. If this was to continue across multiple EFA blocks it could result in providers depleting and not having the required energy to deliver the contact. We will continue to keep SOE rules under review as we engage with providers and the services continue to evolve.</p>
<p>Did not answer why soc constraints need to change across efa blocks, surely that puts more pressure and volatility at the start of the efa block</p>	<p>We already have an allowance for unusually high delivery in the last 3 SPs of a contracted EFA that reduces the REV at the start of the next EFA when a unit is contracted consecutively. The delivery during CTP will be counted towards this allowance.</p>
<h2>Consultation Timelines</h2>	
<p>Can you outline a timeline on Ofgem submission, approval, and then implementation?</p>	<p>We are continuing to review the proposals based on feedback received. We aim for April submission and June for OFGEM decision, go live could be later as providers have flagged long lead time for CTP development. This will be very clear in our submission to Ofgem.</p>