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Static Firm Frequency Response Submission Document

Proposed changes to the Static Firm
Frequency Response Services Terms
and Conditions

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Contents

Introduction.....	4
Summary of changes	5
Submissions.....	6
Annex 1 - EBR Article 18 mapping for the Static FFR Terms and Conditions	18

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23 March 2026

Static Firm Frequency Response Terms and Conditions Submission

Dear Industry,

In accordance with Commission Regulation (EU) 2017/2195 of 23 November 2017 as converted into retained EU law (EBR), we are proposing to update our terms and conditions relating to balancing with respect to our Static Firm Frequency Response (Static FFR) Response product.

NESO is committed to driving changes to its balancing services markets that create opportunities for flexibility providers and realise consumer value. Over the last 18 months, through the *Flexibility Markets Strategy – Call for input* and the *Demand Side Flexibility Routes to Market Review* NESO has taken forward work to understand the barriers for flexibility and how changes can be made to widen participation whilst still delivering an effective service. We consider that the changes to the Static FFR product we are proposing today will encourage greater participation in our markets and realise consumer value through improved performance management.

The proposed updates have been applied to the Static FFR Service Terms and Procurement Rules.

In accordance with EBR, we have now concluded consulting on these updates to those terms and conditions. This submission document includes all of the relevant information and details of this consultation.

Annexed to this document is a table showing how we believe the updated terms and conditions (and corresponding parts of the GB codes) map across to the terms and conditions related to balancing described by Article 18 of EBR.

If you have any queries regarding this proposal, please contact box.futureofbalancingservices@neso.energy in the first instance.

Yours sincerely

Jonathan Wisdom

Head of Market Change Delivery

Introduction

The Static FFR Service Terms and Static FFR Procurement Rules make up the terms and conditions for our Static FFR Service¹.

Over the past year we engaged extensively with current and prospective service providers on these terms and conditions, including through multiple service design webinars, Markets Forum events, as well as 1-1 meetings and a pre-consultation webinar. On 20 November 2025, we published a consultation setting out a range of proposed changes reflecting this engagement alongside our internal priorities².

We received 10 responses to this consultation. The feedback has helped shape the final submissions included in this document. On several topics we have engaged further with providers to understand their feedback and explore possible revisions.

This document is structured as follows:

- In the introduction, we set out our approach to the consultation and submission document
- In the ‘Summary of changes’ section, we set out at a high level the proposed changes
- In the ‘Implementation’ section we lay out when we intend for them to come into effect
- In the Submissions part of the document, we provide detail on each of the terms and conditions changes we are proposing to make as part of this consultation process. We summarise the feedback we received, set out how we have considered it including where it has led to changes in our proposed terms and conditions since the consultation, and sign-post the relevant parts of the Service Terms and Procurement Rules.

Overview of consultation feedback, and our response

For each submission (i.e., proposed change), we provide a single overview of all the responses we received. In this overview, we highlight core themes while ensuring we represent all points and questions raised in responses. Where appropriate we have included and asked more quantitative questions which has provided an overall view of general support or opposition for specific changes. We then provide a single response in the ‘Outcome following feedback’ sub section, in which we address all points.

Submissions

We intend that each of the proposed changes may be considered by Ofgem as separate ‘submissions’ such that they can be reviewed and hence approved by Ofgem in isolation. While in practice we expect all submissions to be approved at the same time, this ensures any delays or

¹ Available at: [Static Firm Frequency Response \(SFFR\) | National Energy System Operator](#)

² Available at: [Static Firm Frequency Response \(SFFR\) | National Energy System Operator](#)

concerns by Ofgem around an individual change does not result in an undue delay to other changes independent of that individual change.

We recognise that there are some interdependencies between two of the changes proposed in this consultation, change 1. Decrease the minimum unit size to 0.1MW, and change 2. Changes to the bidding parameters. Change 1 cannot be approved without also approving change 2, as should the minimum unit size decrease the minimum bid size will also need to decrease to ensure they can participate in the market. It is important to note that change 2 could be approved without the approval of change 1.

Dynamic Response Consultation

We also consulted on the Dynamic Response Service Terms and Procurement Rules in parallel to this consultation. We will be submitting to Ofgem the proposed changes to the Dynamic Response Services in the near future. All feedback received relating to those changes and our final proposals to the Dynamic Response Services will be included in that submission.

Summary of changes

1. Decrease the minimum unit size to 0.1 MW
2. Changes to the bidding parameters
3. Changes to the Percentage Performance Measure (PPM)
4. Clarity on data required from providers
5. Submission of Input Frequency in performance data
6. Unit suspension & De-registration
7. Reduce the Frequency Trigger
8. Updated reference to Stacking Guidance
9. Contracted delivery time clarification
10. Housekeeping changes

We provide more details of the proposed changes in the Submissions section.

Implementation

We expect Ofgem decision on these changes by 23 May. NESO will endeavour to publish the updated version of the Service Terms and Procurement Rules as soon as possible following Ofgem decision with an effective from date of 31 July. All of the changes included in this consultation will go live on this date, over 2 months after Ofgem issue their decision. This should ensure industry and NESO have the necessary time to prepare for and implement these changes.

Submissions

1. Decrease the minimum unit size to 0.1 MW

NESO are proposing to reduce the minimum unit size from 1MW to 0.1MW.

Responses Overview	Outcome following feedback
Overview	
<p>Of the 10 respondents who provided responses to the consultation 8 chose to respond to this question, 7 agreed with this proposal and 1 disagreed. Some expanded to highlight benefits including reducing the barriers to entry for smaller assets, allowing more accurate bidding through allowing increments of 0.1MW and reducing the need to aggregate customers. Those who agreed with the proposal highlighted that the increased liquidity would lead to better value for consumers.</p>	<p>We propose to lower the minimum bid size from 1MW to 0.1MW as proposed in the consultation. We note the overall positive response to this proposal. Although the majority of responses were in favour of this change, NESO note one response highlighting that this change is too relaxed, with others highlighting other requirements of the service remain too challenging for smaller units to participate. NESO are focused on developing a service that both provides access to as many participants as possible while also maintaining a robust service.</p>
Reliability Risk	
<p>The respondent who disagreed with the proposal highlighted the risk that this proposal could decrease the reliability of the service as a flood of assets join the service, especially due to the lack of live metering.</p>	<p>The technical requirements of the service remain the same for all units participating in the service, no matter the size, as such we do not believe the quality or reliability of the service will be reduced. Improvements to the performance monitoring proposed in this consultation will further mitigate any potential reliability risks in the service. Although this consultation has not proposed to introduce real-time metering into the service, this is still an ambition of future consultations. We will continue to engage with industry on this topic.</p>
Alignment with other NESO services	
<p>The respondent that disagreed with this proposal also flagged inconsistencies with other NESO services, with the majority of NESO services maintaining a minimum bid size of 1MW.</p>	<p>The minimum bid size has been flagged in our Enabling Demand-Side Flexibility and Clean Flexibility Roadmap as a barrier to entry particularly for the Static FFR service. As such we have started to reduce this in the markets where there is the most value and potential for additional participation. With over 40% of</p>

	<p>the Static FFR registered capacity currently provided by load response, it was a higher impact service to start with, we are assessing the benefits and costs for implementation in other services. We note that the recently revised terms and conditions for our Demand Flexibility Service (submitted to Ofgem in January-26) also proposed reducing the minimum bid size to 0.1MW aligning with these proposals.</p>
<p>Robust metering telemetry and aggregation governance</p>	
<p>One respondent who agreed with the proposal flagged the importance of maintaining robust metering/telemetry and aggregation governance.</p> <p>Another asked if aggregation will remain at national level or if this will be changed to GSP level?</p>	<p>We will continue to maintain the current level of metering across all units participating in Static FFR and will continue to engage with industry on further enhancing this with real-time data submissions.</p> <p>Aggregation will continue to be at national level for the purpose of this consultation. This will be kept under review and subject to further engagement and consultation when we move to a locational procurement model of the Dynamic Response and Reserve Services, we will require Static FFR units to be aggregated at zonal level to align with these services. We will continue to engage industry on this change prior to implementation.</p>
<p>Relaxed technical requirements for small sites</p>	
<p>Two respondents who agreed with the proposal highlighted that although this change reduces the barriers to entry for smaller units, the technical requirements continue to maintain barriers for smaller sites and encouraged these to be relaxed. With one flagging this change in isolation may not be sufficient to ensure that the service is commercially attractive to small providers.</p>	<p>We consider that that with the reduction in the minimum unit size and the proposal to reduce the trigger frequency we have taken steps to allow further participation. Alongside this it is important that we maintain the quality and reliability of the service and we will monitor participation following the go-live of the proposed changes. We will also continue to engage with providers to further understand the barriers to entry in the Static FFR service.</p>

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We propose the following changes to bring this change into effect:

Service Terms

- Updates to paragraph 5.4

Procurement Rules

- Updates to paragraph 6.2

2. Changes to the bidding parameters

NESO are proposing to reduce the minimum bid size to 0.1MW and introduce a maximum bid size of 100MW.

Responses Overview	Outcome following feedback
Overview	
<p>Of the 10 who submitted responses to the consultation 8 responded to this question, of which all were somewhat supportive of this change. Many highlighted the importance of this change to facilitate access to the market for the newly proposed minimum unit size, increased accuracy of bids and reduced concentration risk through enforcing a new maximum bid size.</p>	<p>We propose to implement the changes to the bidding parameters as proposed in the initial consultation. NESO acknowledge industry’s support for this change in the consultation responses.</p>
Impacts on existing units	
<p>One respondent requested additional clarity on whether this change will impact existing larger units, providing the following example: larger units that are currently configured to a 1MW resolution may have to make system changes to be able to report performance to a 0.1MW granularity and accurately reporting to this granularity may not even be feasible for some.</p>	<p>This change should not impact any existing units; the change only impacts the unit’s minimum size and does not change any granularity of performance of existing 1MW units.</p>
Further questions for clarification	
<p>Will the service be hosted on EAC?</p>	<p>The intention is for the auction to be hosted on a more enduring auction platform and run alongside our other reserve and response products in the future. We hope to fully co-optimize these auctions in the future, which would include changing the time of the Static</p>

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	FFR auction. We will continue to engage industry on this topic and any future changes.
Can a single organisation submit and be awarded Static Response bids that in aggregate total more than 100MW?	The maximum bid size is applicable to the unit not the provider. As such, one provider could bid in and win contracts with a total value of more than 100MW. This would have to be split over multiple units that individually do not exceed 100MW. This requirement aligns with the Dynamic Response Services.
Please clarify how Maximum Sell Size applies to aggregated units and whether the cap is per EFA block, per provider, or per unit.	The maximum sell size is per unit per EFA block. Each unit, whether aggregated or not, can bid in a maximum bid of 100MW per EFA block.
Will market participants be allowed to “fractionate” their assets across multiple bids?	Assets can be aggregated such that they are split into 2 separate units that are each less than 100MW. One existing unit that is over 100MW could not split its capacity over multiple bids. This is to de-risk the impacts of a unit being unavailable or failing on a contract.

Revised Procurement Rules Text

We propose the following changes to bring this change into effect:

Procurement Rules

- Updates to paragraph 8.4
- Addition of defined term ‘Maximum Sell Size’

3. Changes to the Percentage Performance Measure (PPM)

We propose to update the Percentage Performance Measure (PPM) to more accurately penalise under performance of the service.

Responses Overview	Outcome following feedback
Overview	
Of the 7 respondents who answered this question 5 agreed with the proposal and 2 did not specify whether they agreed or disagreed with the proposal. Key benefits that were included in responses included encouraging	NESO have considered all feedback provided and propose to update the PPM as per the original consultation. An amendment has been made to the Service Terms Paragraph 15.3 following discussions with respondents on how this would work in practice, to ensure that

<p>more accurate delivery and ensuring poor delivery is appropriately penalised.</p>	<p>for demand reducing units the PPM is assessed on the minimum operating baseline rather than assuming units will reduce demand to zero.</p>
<p>Significant change</p>	
<p>2 respondents highlighted that this is a significant change to the current PPM, and that this could introduce more risk than some providers with small, aggregated assets may be willing to bear. One respondent highlighted that additional costs related to more stringent performance measures may result in a natural 'minimum feasible bid' to cover these costs.</p>	<p>We are aware that this is a significant change for providers that currently deliver Static FFR. The requirements for the Static FFR service stem from SQSS post fault requirements, which have 0 error for margin. Underperformance in delivery of the service leads to NESO needing to take mitigating actions to cover this underperformance. Due to the speed of this performance, this would need to be a proactive procurement of the same or similar services to cover this, leading to higher consumer costs. We are comfortable with the suggestion of minimum feasible bids as a way of ensuring that under delivery is avoided.</p>
<p>Over delivery</p>	
<p>Multiple respondents raised questions on whether there will be restrictions on over delivery.</p>	<p>There is currently no intention to penalise for over delivery. This is something that NESO will continue to keep under review. We will continue to engage with industry before proposing any changes to this.</p>
<p>Measurement timeframe</p>	
<p>A number of respondents asked for clarification on the measurement timeframe that would be affected by the updated PPM. With some stating it is unclear whether this is per event or averaged out over a longer period of time or over multiple events. One respondent suggested that the Service Terms text is ambiguous but suggests it will only affect the contracted EFA block.</p>	<p>The Service Terms explains two ways in which the PPM is calculated:</p> <ul style="list-style-type: none"> • When there hasn't been a frequency trigger breach in a contracted EFA, checking a contracted unit has available capacity to deliver the service (15.3 or 15.4). This is assessed across an entire contracted EFA. • When a frequency trigger breach has taken place in a contracted EFA, assessing the delivery from the unit meets the requirements of the Service Terms (15.6). This is assessed over the delivery period which is detailed in paragraph 6 of the Service Terms (up

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	<p>to 30 minutes following the frequency trigger breach).</p> <p>Both PPM are applied to the settlement value for the full contracted EFA, as detailed in "Schedule 3 – Availability payments" of the Service Terms.</p>
<p>Maximum Response Period</p>	
<p>One respondent flagged the need for additional clarity on the definition of 'maximum response period' highlighting that some asset classes, including large industrial loads, may be unable to return to their pre-event operating level immediately after this 30-minute period. They added that clause 15 in the Service Terms needs to be clarified to explain post-event recovery expectations.</p>	<p>The Maximum Response Period only defines the delivery duration of the service within the EFA block, there is currently no expectation to return to post event operational levels immediately after an event. We would expect units to endeavour to do so but understand this is difficult for some plants, we will continue to engage with industry on this topic before implementing any additional changes to this.</p>

Revised Service Terms Text

We propose the following changes to bring this change into effect:

Service Terms

- Updates to paragraph 15.7

4. Clarity on data required from providers

We propose to add additional clarity in the Service Terms on when NESO can request data from providers.

Responses Overview	Outcome following feedback
<p>Overview</p> <p>Of the 8 respondents to this question 6 agreed with the proposal, 1 disagreed and 1 did not specify whether they agreed or disagreed.</p>	<p>NESO propose to introduce the clarification on additional data required from providers. For the most part the drafting remains the same, but the list of requirements in paragraph 15.9 requests the minimum operational level (for demand reducing units) and a maximum export limit (for generation units). These additional data fields are required to ensure NESO can accurately assess the units PPM.</p>

	This change has also been reflected in Paragraph 15.3.
Standardisation of submission process	
<p>One respondent asked for a clearer and more consistent approach, stressing that as currently drafted it appears rather ad-hoc. They would welcome clearer expectations on timing, format and routine reporting.</p>	<p>There are two scenarios that will trigger the need for a provider to submit data to NESO:</p> <ul style="list-style-type: none"> • In the event of a frequency trigger breach. NESO requires all units contracted during that period to provide data for the full EFA period. This data submission is required as part of the Static FFR service currently. • At the end of the month, NESO will send a request out to all units that have been contracted for Static FFR in the preceding month. This will request data for one randomly selected contracted EFA block for which a provider must provide the relevant performance monitoring data for NESO to perform availability checks as detailed in 15.3/4 of the Service Terms. If for any reason, these checks show performance below that expected of the unit, NESO will request performance data from additional contracted EFA's from the preceding month to assess performance and apply relative performance factors to availability payments. As this data is to check availability of the service NESO cannot provide additional details of which EFA will be requested to ensure it accurately reflects the behaviour of the unit. <p>The Static FFR guidance document will be updated with some additional illustrations on how these checks could work in practice.</p>
Requesting data outside of contracted service periods	
<p>The respondent who disagreed with the proposal and another who agreed requested additional clarity on why NESO would be requesting data outside of contracted service</p>	<p>NESO will only request data outside of contracted service periods if the frequency event takes place in the final 30 minutes of the contracted EFA, NESO will require data for the</p>

<p>periods. Highlighting that this could be excessive and will introduce additional costs and challenges with implementation.</p>	<p>entire delivery period, which may cross into an uncontracted period. As further clarified in '8. Updated reference to Stacking Guidance' in this document, NESO will also update the Static FFR Guidance with some additional cross over guidance to clarify expected behaviour if delivery interacts with another NESO service.</p>
<p>Baseline submission</p>	
<p>One provider highlighted that NESO should request and publish baselines for all SPs, highlighting that this will align with other NESO services.</p>	<p>We do not currently receive operational baselines for units in the Static FFR service. This is something that we will continue to review for future amendments to the service, part of this review will include the possibility of publishing these baselines in line with other NESO services.</p> <p>We currently get baselines for SFFR as part of the Performance Data, but this is the units metered output the moment before a frequency trigger, publishing a baseline would essentially be publishing the metered output of the unit. Due to the performance baselines being obtained post event there would be a significant delay in publication of performance baselines. NESO do not believe these would have the same value to industry as operational baselines; we welcome further discussion on the value of publishing these baselines.</p>
<p>Manner of submission</p>	
<p>One respondent stressed paragraph 15 should state clearly the means in which the data is to be submitted, specifying the format, timeframes and purpose.</p>	<p>We do not feel that this level of detail is required in the Service Terms, in line with other Response Services, NESO will update the relevant Static FFR Guidance Document with specific details on the data that is to be submitted, including the means in which the data is to be submitted.</p>
<p>Real-time data submission</p>	
<p>2 respondents stressed support for continuation of no real time data requirements in the Static FFR service, stating</p>	<p>Although this consultation has not looked to introduce real-time measurements into the service, this is still the ambition of future consultations. We will engage closely with</p>

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that this would be a significant barrier to entry for small DSR providers.	industry to understand the impacts on providers before implementing this change.
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Revised Service Terms Text

We propose the following changes to bring this change into effect:

Service Terms

- Updates to paragraphs 15.2 – 15.5
- Updated to paragraph 15.9
- Addition of paragraph 15.11
- Addition of the defined term ‘Performance Data’

5. Submission of Input Frequency in performance data

NESO propose to specify that an input frequency measure should be included in performance data.

Responses Overview	Outcome following feedback
Overview	
Of the 7 respondents who chose to answer this question, 5 were in agreement with the proposal and 2 were not explicitly clear whether they agreed or not. Many respondents highlighted benefits including improvements in accuracy and fairness as well as noting benefits for performance validation and grid stability.	NESO propose the inclusion of an input frequency measurement in the performance data, although some amendments have been made to the drafting following feedback from industry. We have updated the defined term of ‘Input Frequency’ to include the ability to use a centralised frequency measurement as agreed by NESO.
Barriers to entry for small units	
3 respondents flagged that this proposal could act as a barrier to entry for small units as additional technology could be expensive and difficult to install. Two respondents welcomed clarification on the intention behind the defined term ‘Input Frequency’ to understand if the frequency could be measured centrally, ie one frequency measure that triggers a number of sites, rather than an onsite measure, to assist with this blocker. They would appreciate this being	We wish to clarify that this change was not intended to change units that currently trigger from a centralised frequency measurement rather a clarification that this measurement should be submitted as part of the performance monitoring data, something that is already provided by all participating units today. We apologise that the language used in the consultation document has resulted in this confusion, we have updated the language in this submission document to address this.

<p>reflected in the Service Terms rather than just in the supporting guidance.</p>	<p>We have added some additional clarity to the defined term to include the allowance for centrally measured frequency. It is important to note, however, that frequency can vary significantly across the country; there are therefore risks of utilising a centralised measurement to incite a response for a unit aggregated nationwide. In future, the intention is for the service to transition to requiring regional aggregation, providers utilising a centralised frequency measurement will require a frequency measurement from the area within which the assets are aggregated across. This will still allow a centralised dispatch approach, with the requirement to have at least one active frequency measurement in the area that is used to incite a response from all assets within the unit. We appreciate this may require some additional hardware installations, however, we believe it is the minimum level of protection we require to ensure frequency response is having the desired effect without compromising stability locally. We will continue to engage with providers on this particular topic before this change is introduced, as we understand the significance it has on participation in the service.</p>
<p>Additional areas for clarification</p>	
<p>Metering at 1Hz granularity could potentially prove to be a barrier to entry for some Behind the Meter (BtM) assets. Is there any scope to relax this or will that result in issues in operating the service from NESO's perspective?</p>	<p>We don't see any scope to change the requirement for 1Hz measurement of frequency measurement to be submitted through performance monitoring at this time. To be able to assess a unit has responded within the required 30 seconds, it is crucial we have the exact point at which the frequency trace incited a response.</p>
<p>The draft Service Terms states "at a granularity of one (1) measurement per second (1 Hz)". To accommodate future improvements in power grid digitalization, we suggest this be revised to say, "at a</p>	<p>We have updated Paragraph 15.9 in the Service Terms to reflect this suggestion.</p>

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granularity of at least one (1) measurement per second (1 Hz) or faster with an associated timestamp”.	
Unclear as to whether this is a continuous operational reporting requirement or the keeping/submission of post-event technical information for NESO’s purposes of performance evaluation and Static Response contract audit.	This requirement is for post-event performance evaluation and used in calculation of performance factors used in settlement remuneration calculations.

Revised Service Terms Text

We propose the following changes to bring this change into effect:

Service Terms

- Updates to paragraph 15.9
- Addition of defined term ‘Input Frequency’

6. Unit suspension & De-registration

NESO propose to introduce the ability to Suspend and De-register from the Static FFR service.

Responses Overview	Outcome following feedback
Overview	
Of the 7 respondents who answered this question, all were in favour of the proposal, most highlighting benefits such as improved alignment with other NESO services and stronger incentives for compliance.	NESO were encouraged by the feedback received in relation to unit suspension and de-registration, as such we intend to proceed with our proposal as drafted in the consultation.
Further Clarification	
A number of respondents asked for clarification on whether these penalties would be applied to the provider or the unit, and asked for additional guidance including thresholds that would be required to meet prior to application of such penalties, remedial approaches to ensure transparency and fairness across the market.	NESO do not expect to need to use the suspension and de-registration clauses that are included in the legal documents, they are intended to be used as a last resort for units or providers that have continued poor performance in the service. In most cases these would be assessed on a unit-by-unit bases and we would not expect to be suspending or deregistering a provider based on the performance of one unit in their fleet. If all the units in the fleet were continually

	<p>underperforming, or if there was intended market or data manipulation that is the fault of the provider, then this maybe a scenario in which the provider is deregistered rather than the unit. The Static FFR Guidance document will be updated with some additional illustrations of scenarios that may lead to suspension or de-registration.</p> <p>If issues are identified early, we are keen to work with providers to resolve these before they result in a suspension or de-registration. If a provider is worried about the performance of any of their units, we would encourage them to reach out to their account manager in the first instance to discuss and resolve the issue.</p>
<p>Service Terms</p>	
<p>One respondent suggested the wording could be condensed and included in Clause 14, another highlighted the need to ensure alignment with the Dynamic Response Services where possible.</p>	<p>We thank this respondent for their proposal although as the current drafting aligns with the drafting of the Dynamic Response Services we will proceed with the original drafting. We will continue to review the drafting and update as necessary while continuing to ensure alignment across NESO services where possible.</p>

Revised Service Terms & Procurement Rules Text

We propose the following changes to bring this change into effect:

Service Terms

- Addition of paragraphs 15.10 and 15.13

Procurement Rules

- Changes to paragraph 4.2, 5.4 & 5.5
- Addition of paragraph 4.3
- Addition of defined term ‘Deregister’
- Amendments to Schedule 2

7. Reduce the Frequency Trigger

We propose to reduce the Frequency Trigger from 49.7Hz to 49.65Hz.

Responses Overview	Outcome following feedback
Overview	
<p>Of the 8 respondents who answered this question, 5 agreed, 1 disagreed and 2 did not specify. Those who agreed cited benefits such as fewer unnecessary activations, improved liquidity, and lower procurement costs.</p>	<p>With the majority of feedback in favour of this change, we propose to proceed with this change as drafted in the consultation document.</p>
Provider Value	
<p>Some respondents raised concerns about reduced activations impacting provider value and system stability, and suggested introducing proving tests to maintain reliability. One respondent who disagreed, warned of increased system risk and deterioration of frequency quality and requested system studies should be published for critique.</p>	<p>As providers are paid an availability payment rather than an activation or utilisation payment, NESO do not agree that a reduction in activations should impact provider value. If there is a change in provider value, we expect this to be in favour of the provider as with fewer activations there should be less economic cost associated with delivery of the service.</p> <p>We welcome the feedback from respondents on reliability, we believe that the additional performance checks that will be introduced as part of this consultation will help alleviate this risk. We will continue to keep this under review and will consider wider testing requirements prior to reducing the frequency trigger further.</p>
Further Reductions in Trigger Frequency	
<p>Many respondents welcomed the further reduction in the future, although one respondent flagged concerns with allowing NESO the ability to change this at its discretion.</p>	<p>This change has no impact on NESO meeting post fault SQSS requirements– namely ensuring frequency returns to 49.5Hz within 60 seconds. We also do not see it impacting requirements and typical measures of frequency timeframes outside of operational limits.</p> <p>Reducing the trigger level ensures NESO maintains Static response capacity in the event of larger losses that do not take us below the new limit. This ensures we reserve the dispatching of the capacity for only the</p>

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	<p>worst-case scenarios, that are likely to take us out of our statutory limits. This also minimises times where real-time actions are required to recover frequency holdings, when Static FFR has been triggered for medium size losses or other low frequency events.</p> <p>It is important to note that NESO does not intend to change the trigger frequency often. NESO will conduct a thorough investigation and analysis to understand any implications of changing the trigger frequency further prior to any further changes. We will engage with industry and ensure appropriate notice is given before any changes in the trigger frequency.</p>
<p>Questions to be clarified</p>	
<p>“Trigger level” does not seem to be a defined term within the Procurement Rules document. Will this be added or is “Frequency Trigger” the correct terminology to be used?</p>	<p>Frequency Trigger is the correct terminology and the defined term that should be used. We will update our vocabulary around the topic to reduce confusion.</p>

Revised Procurement Rules Text

We propose the following changes to bring this change into effect:

Procurement Rules

Updates to defined term ‘Trigger Level’

8. Updated reference to Stacking Guidance

We propose updating the reference to Stacking Guidance Document to refer to a consolidated Response Stacking Guidance.

Responses Overview	Outcome following feedback
<p>Overview</p>	
<p>Of the 8 respondents who answered this question, 7 agreed with the proposal and 1 disagreed, linking back to their response to the bidding parameters question to understand if there is a link between changing the minimum bid size and service stacking.</p>	<p>We propose to include the reference to the updated Stacking Guidance as proposed in the consultation. We recognise respondents strongly support this proposal.</p>

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<p>Those who supported this change highlighted key benefits including improved clarity, consistency and usability for providers. Several welcomed the additional information for stacking Static FFR with the BM.</p> <p>Some respondents suggested ensuring consistent terminology across all NESO documents and webpages.</p>	<p>The minimum bid size and service stacking are two different requirements; we do not think that changing the minimum bid size is required for service stacking. Currently Static FFR can be stacked with the Balancing Mechanism, and this change is to ensure the guidance is consolidated, and the relevant reference is up to date.</p> <p>NESO will endeavour to ensure better alignment of documents and terminology across our webpages.</p>
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Revised Service Terms Text

We propose the following changes to bring this change into effect:

Service Terms

- Updates to paragraph 12.6
- Update to the defined term ‘Stacking Guidance’
- Addition of defined term ‘Stacking’

9. Contracted delivery time clarification

We propose to add a clarification to the Service Terms to ensure the service is delivered in full if triggered at the end of an EFA block.

Responses Overview	Outcome following feedback
<p>Overview</p> <p>Of the 7 respondents who answered this question, 6 agreed with the proposal and 1 did not specify. Most responses support clarifying contracted delivery time, noting alignment with other services and preventing gaps in response delivery.</p>	<p>We have proposed further clarifications to the Service Terms following feedback. We have updated paragraphs 6.2 and 15.6 i in the Service Terms to provide additional clarifications on expected behaviours where providers hold another contract for a different service in the subsequent EFA block.</p>
<p>Cross service transitions</p> <p>4 respondents raised concerns with potential friction when transitioning between services and requested flexibility or caveats to avoid penalties if overlapping obligations occur.</p>	<p>NESO will update the Static FFR Guidance with some additional cross over guidance to provide additional clarity.</p>

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<p>Additional clarity has been requested on how penalties will be enforced across service transition periods and service precedence at boundaries.</p>	
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Revised Service Terms Text

We propose the following changes to bring this change into effect:

Service Terms

- Updates to paragraph 6.2
- Updated to paragraph 15.6 i

10. Housekeeping changes

We have proposed some additional housekeeping changes that we deem to be outside of the scope of Article 18.

Responses Overview	
Overview	
<p>We do not consider these changes in scope of EBGL Article 18, but nonetheless we welcomed stakeholder comment. Only 1 respondent answered this question, they requested additional information on where the testing guidance is now located and where frequency relay accuracy is defined.</p>	<p>We welcome the additional feedback received on the house keeping changes and can confirm the testing guidance has been removed from the Procurement Rules and is located in the <u>Static FFR Guidance</u> to align with the Dynamic Response Services documentation. All technical details that are required through the testing process including the frequency accuracy threshold are defined in the Static FFR Guidance, we welcome continued feedback on the content in this guidance document.</p>

The house keeping changes made include:

- Re-branding the document to NESO
- Updating References to the Flexibility Services Standard Agreement
- Moved defined terms from the body of the text to the relevant schedule
- Updated applicable arbitration rules to the prevailing rules of the London International Court of Arbitration

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- Updated wording on transfer of obligation
- Removed Testing Guidance from the Procurement Rules to separate guidance
- Removed Independent Technical Expert definitions from the Procurement Rules to separate guidance
- Updated references from FFR Service Procedure Document to [Static FFR Guidance](#)
- Removed defined terms that were not used

Annex 1 – EBR Article 18 mapping for the Static FFR Terms and Conditions

Please note: The table below cross references the terms and conditions related to balancing described in article 18 of Commission Regulation (EU) 2017/2195 of 23 November 2017 (as converted into assimilated EU law, and as amended by the Electricity Network Codes and Guidelines (Markets and Trading) (Amendment) (EU Exit) Regulations 2019/532) and subsequent legislation (“**EBR Article 18**”) against the corresponding parts of the GB codes and relevant contractual provisions, with particular reference to Static FFR. This cross referencing includes the terms and conditions for balancing service providers and the terms and conditions for balance responsible parties.

Nothing in this table shall prejudice or otherwise affect the operation of the GB codes and relevant contractual provisions, and furthermore in the event of any conflict or inconsistency between this table and EBR Article 18 the latter shall prevail.

Table 1 – Mandatory Elements

Below is the mapping of EBR Article 18 with references to the relevant Static FFR terms and conditions.

Article	Text	Code or Document	Section
18.2	The terms and conditions pursuant to paragraph 1 shall also include the rules for suspension and restoration of market activities pursuant to Article 36 of Regulation (EU) 2017/2196 and rules for settlement in case of market suspension pursuant to Article 39 of Regulation (EU) 2017/2196 once approved in accordance with Article 4 of Regulation (EU) 2017/2196.	Grid Code	OC9.4
		BSC	G3, P1.6, P5, Q4.3.4, Q5.4, Q5A and T1.7

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18.4	The terms and conditions for balancing service providers shall:	-	-
18.4.a	Define reasonable and justified requirements for the provisions of balancing services;	Static FFR Procurement Rules Static FFR Service Terms	<p>Static FFR Procurement Rules</p> <p>4 – Registration of Registered Static FFR Participants</p> <p>5 – Pre-qualification of Eligible Assets</p> <p>12 – Formation of Static FFR Contracts</p> <p>Static FFR Service Terms</p> <p>5 – Service Availability</p> <p>12 – Provision of Other Services</p>
		BSC	A, H3, H4.2, H4.7, H4.8, H5.5, H6, H10, J3.3, J3.6, J3.7 and J3.8
		CUSC	4.1.3
		Grid Code	BC1, BC2, BC3 & BC4
18.4.b	allow the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to offer balancing services subject to conditions referred to in paragraph 5 (c);	BSC	K3.3, K8, S6.2, S6.3 and S11, S12, S13 and S14
		Grid Code	DRSC 4.2, BC1.4
		Static FFR Procurement Rules	<p>Static FFR Procurement Rules</p> <p>4 – Registration of Registered Static FFR Participants</p> <p>5 – Pre-qualification of Eligible Assets</p> <p>6 – Allocation of Eligible Assets to Static FFR Units</p> <p>Schedule 2 – Registration and Pre-Qualification Procedure</p>
18.4.c	allow demand facility owners, third parties and owners of power	BSC	K3.2, K3.3, K8

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	generating facilities from conventional and renewable energy sources as well as owners of energy storage units to become balancing service providers;	Static FFR Procurement Rules	<p>Static FFR Procurement Rules</p> <p>4 – Registration of Registered Static FFR Participants</p> <p>5 – Pre-qualification of Eligible Assets</p> <p>6 – Allocation of Eligible Assets to Static FFR Units</p> <p>Schedule 2 – Registration and Pre-Qualification Procedure</p>
18.4.d	require that each balancing energy bid from a balancing service provider is assigned to one or more balance responsible parties to enable the calculation of an imbalance adjustment pursuant to Article 49.	BSC	T4, Q7.2, Q6.4
18.5	The terms and conditions for balancing service providers shall contain:	-	-
18.5.a	the rules for the qualification process to become a balancing service provider pursuant to Article 16;	Static FFR Procurement Rules	<p>Static FFR Procurement Rules</p> <p>4 – Registration of Registered Static FFR Participants</p> <p>5 – Pre-qualification of Eligible Assets</p> <p>Schedule 2 – Registration and Pre-Qualification Procedure</p>
		Grid Code	BC5, BC4.4.2
		CUSC	4.1
		BSC	J3.3, J3.6, J3.7, J3.8, K3.2, K3.3 and K8
18.5.b	the rules, requirements and timescales for the procurement and transfer of balancing capacity pursuant to Articles 32 and 34;	Static FFR Procurement Rules	<p>Static FFR Procurement Rules</p> <p>7 – Buy Orders</p> <p>8 – Sell Orders</p> <p>9 – Market Clearing Rules</p>

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		Static FFR Service Terms	12 – Formation of Static FFR Contracts Static FFR Service Terms 20 – Transfer of Static FFR Contracts
18.5.c	the rules and conditions for the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to become a balancing service provider;	Static FFR Procurement Rules	Static FFR Procurement Rules 4 – Registration of Registered Static FFR Participants 5 – Pre-qualification of Eligible Assets 6 – Allocation of Eligible Assets to Static FFR Units Schedule 2 – Registration and Pre-Qualification Procedure
		BSC	K3.3 and K8
		Grid Code	BC1.4 and BC1.A.10
18.5.d	the requirements on data and information to be delivered to the connecting TSO and, where relevant, to the reserve connecting DSO during the prequalification process and operation of the balancing market;	Static FFR Procurement Rules	Static FFR Procurement Rules 4 – Registration of Registered Static FFR Participants 5 – Pre-qualification of Eligible Assets 8 – Sell Orders 13 – Confidentiality Schedule 2 – Registration and pre-qualification Procedure
		Static FFR Service Terms	Static FFR Service Terms 5 – Service Availability 6 – Service Delivery 15 – Monitoring 18 – Records and Audits
		BSC	O
		Grid Code	DRC, BC5 BC1.4
		CUSC	4.1.3.14 and 4.1.3.19
18.5.e	the rules and conditions for the assignment of each balancing	BSC	T4

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	energy bid from a balancing service provider to one or more balance responsible parties pursuant to paragraph 4 (d);	Static FFR Procurement Rules Static FFR Service Terms	Static FFR Procurement Rules 12 – Formation of Static FFR Contracts Static FFR Service Terms 19 – Assignment 20 – Transfer of Static FFR Contracts
18.5. f	the requirements on data and information to be delivered to the connecting TSO and, where relevant, to the reserve connecting DSO to evaluate the provisions of balancing services pursuant to Article 154(1), Article 154(8), Article 158(1)(e), Article 158(4)(b), Article 161(1)(f) and Article 161(4)(b) of Regulation (EU) 2017/1485;	Static FFR Service Terms	Static FFR Service Terms 5 – Service Availability 6 – Service Delivery 15 – Monitoring 18 – Records and Audits
		Grid Code	BC1.4, BC1.A.10,
		CUSC	4.1.3.19
18.5. g	the definition of a location for each balancing product taking into account paragraph 5 (c);	Grid Code	BC1.4
18.5.h	the rules for the determination of the volume of balancing energy to be settled with the balancing service provider pursuant to Article 45;	BSC	T3
18.5. i	the rules for the settlement of balancing service providers defined pursuant to Chapters 2 and 5 of Title V;	Static FFR Service Terms	Static FFR Service Terms 5 – Service Availability 6 – Service Delivery 7 – Availability Payments 8 – Payment Procedure Schedule 3 – Availability Payments Schedule 4 – Payment Provisions
		BSC	T1.14, T3 and U

		CUSC	4.1.3.9 and 4.1.3.9A
18.5. j	a maximum period for the finalisation of the settlement of balancing energy with a balancing service provider in accordance with Article 45, for any given imbalance settlement period;	Static FFR Service Terms	Static FFR Service Terms 7 – Availability Payments 8 – Payment Procedure Schedule 3 – Availability Payments Schedule 4 – Payment Provisions
		BSC	U2.2
		CUSC	4.3.2.6
18.5. k	the consequences in case of non-compliance with the terms and conditions applicable to balancing service providers.	Static FFR Procurement Rules	Static FFR Procurement Rules 4 – Registration of Registered Static FFR Participants 5 – Prequalification of Eligible Assets Schedule 2 – Registration and Pre-Qualification Procedure
		Static FFR Service Terms	Static FFR Service Terms 5 – Service Availability 6 – Service Delivery 12 – Provision of Other Services 14 – Termination of Static FFR Contracts 15 – Monitoring
		BSC	H3, Z7 and A5.2
		CUSC	4.1.3.9, 4.1.3.9A and 4.1.3.14
18.6	The terms and conditions for balance responsible parties shall contain:	-	-
18.6. a	the definition of balance responsibility for each connection in a way that avoids any gaps or	BSC	K1.2, P3 and T4.5

	overlaps in the balance responsibility of different market participants providing services to that connection;		
18.6.b	the requirements for becoming a balance responsible party;	BSC	A, H3, H4.2, H4.7, H4.8, H5.5, H6, H10, J3.3, J3.6, J3.7, J3.8, K2, K3.3 and K8
18.6.c	the requirement that all balance responsible parties shall be financially responsible for their imbalances, and that the imbalances shall be settled with the connecting TSO;	BSC	N2, N6, N8, N12, and T4,
18.6.d	the requirements on data and information to be delivered to the connecting TSO to calculate the imbalances;	BSC	O, Q3, Q5.3, Q5.6, Q6.2, Q6.3, Q6.4
		Grid Code	BC1.4.2,3,4, BC1 Appendix 1 BC2.5.1,
18.6.e	the rules for balance responsible parties to change their schedules prior to and after the intraday energy gate closure time pursuant to paragraph 4 of Article 17;	BSC	P2
		Grid Code	BC1.4.3,4,
18.6.f	the rules for the settlement of balance responsible parties defined pursuant to Chapter 4 of Title V;	BSC	T4, U2
18.6.g	the delineation of an imbalance area pursuant to Article 54(2) and an imbalance price area;	-	<i>GB constitutes one imbalance area and imbalance price area and they are equal to the synchronous area</i>
18.6.h	a maximum period for the finalisation of the settlement of imbalances with balance responsible parties for any given imbalance settlement period pursuant to Article 54;	BSC	U2.2
18.6.i	the consequences in case of non-compliance with the terms and	BSC	H3,Z7 and A5.2

	conditions applicable to balance responsible parties;		
18.6.j	an obligation for balance responsible parties to submit to the connecting TSO any modifications of the position;	BSC	P2
18.6.k	the settlement rules pursuant to Articles 52, 53, 54 and 55;	BSC	T4, U2
18.6.l	where existing, the provisions for the exclusion of imbalances from the imbalance settlement when they are associated with the introduction of ramping restrictions for the alleviation of deterministic frequency deviations pursuant to Article 137(4) of Regulation (EU) 2017/1485.	Deterministic frequency deviation is a continental European concept and is not a characteristic of the GB system. Therefore, this requirement does not apply to GB.	N/A

Table 2 - Non- Mandatory elements

Article	Text	Comment
18.7. a	-	Sub-paragraph 18.7.a was repealed pursuant to paragraph 18(6)(a) of Schedule 2 of the Electricity Network Codes and Guidelines (Markets and Trading) (Amendment) (EU Exit) Regulations 2019/532.
18.7. b	where justified, a requirement for balancing service providers to offer the unused generation capacity or other balancing resources through balancing energy bids in the balancing markets after day ahead market gate closure	NESO does not expect to require this from Balancing Service Providers, except where balancing capacity or energy has been contracted. Although in the BM defaulting rules apply if data is not updated, there is no legal requirement for parties to offer

	time, without prejudice to the possibility of balancing service providers to change their balancing energy bids prior to the balancing energy gate closure time due to trading within intraday market;	unused generation capacity or any other balancing resource.
18.7.c	-	Sub-paragraph 18.7.c was repealed pursuant to paragraph 18(6)(c) of Schedule 2 of the Electricity Network Codes and Guidelines (Markets and Trading) (Amendment) (EU Exit) Regulations 2019/532.
18.7.d	specific requirements with regard to the position of balance responsible parties submitted after the day-ahead market timeframe to ensure that the sum of their internal and external commercial trade schedules equals the sum of the physical generation and consumption schedules, taking into account electrical losses compensation, where relevant;	NESO does not expect to require this from Balancing Service Providers. No BSC party is required to contract to match its Final Physical Notifications (FPNs).
18.7.e	an exemption to publish information on offered prices of balancing energy or balancing capacity bids due to market abuse concerns pursuant to Article 12(4)	NESO does not expect to require this exemption. Such data is published on Insights Real-Time Information Service (IRIS).
18.7.f	an exemption to predetermine the price of the balancing energy bids from a balancing capacity contract pursuant to Article 16(6)	-
18.7.g	an application for the use of dual pricing for all imbalances containing the information set out in Article 52(2)(d)(i) and (ii).	NESO does not expect to apply for the use of dual pricing for all imbalances. A single imbalance price was adopted by the GB market in November 2015.