C16 ABSVD informal consultation – Collated responses

Respondent:	Vic Danks
Company Name:	Indian Queens Power Ltd
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		We do not see any problem, but if necessary some work arounds should be developed as it is important to competition that the treatment of different service providers is aligned.
2	Can you provide any examples/evidence of when the proposed process flow may not work?		N/A
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		N/A

Responses collated 18/12/17 , please note some **CONFIDENTIAL** responses removed

No	Question	Response (Y/N)	Rationale
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?		NG must make sure that the metering it uses is fit for purpose, but in principle operational metering can be used.
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		It would be an improvement to allocate energy to NG irrelevant of how accurate it is at the start. Hitting earlier settlement runs and then revising data would seem a sensible solution and in line with many of the electricity settlement processes.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?		We believe that the settlement of all services on accurate data should be a long term goal. If parties want to provide services to NG they should be able to prove they are providing the service that other customers are paying for. There could be a time for new providers to install compliant metering, but NG should ensure that they can be correctly metered.
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?		This is an issue for suppliers, but we would imagine they would want to know which of their customers of providing services and when to help improve their own energy buying.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?		Were the providers large parties as we are then the whole market can see what our units are doing. We cannot therefore see any issues in the market seeing data about service providers operations.

No	Question	Response (Y/N)	Rationale
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		N/A
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?	Y	April 2019. The situation cannot continue while the present disparity between BM and NBM funding for the service continues to provide an advantage for some tenderers at the expense of other tenderers.
11	Do you agree with the proposed changes to the ABSVD methodology?	Y	We support the changes and the facilitating BSC mod, but recognise it is the ABSVD that needs to change and would encourage NG to get on with formally consulting.
12	Do you have any other comments?	Y	ABSVD should now alter to align with EU rules and level the playing field between BM and non-BM providers.

Respondent:	Simon Lord
Company Name:	First Hydro Company and Engie Group Companies
Does this response contain confidential information? If yes, please specify.	No

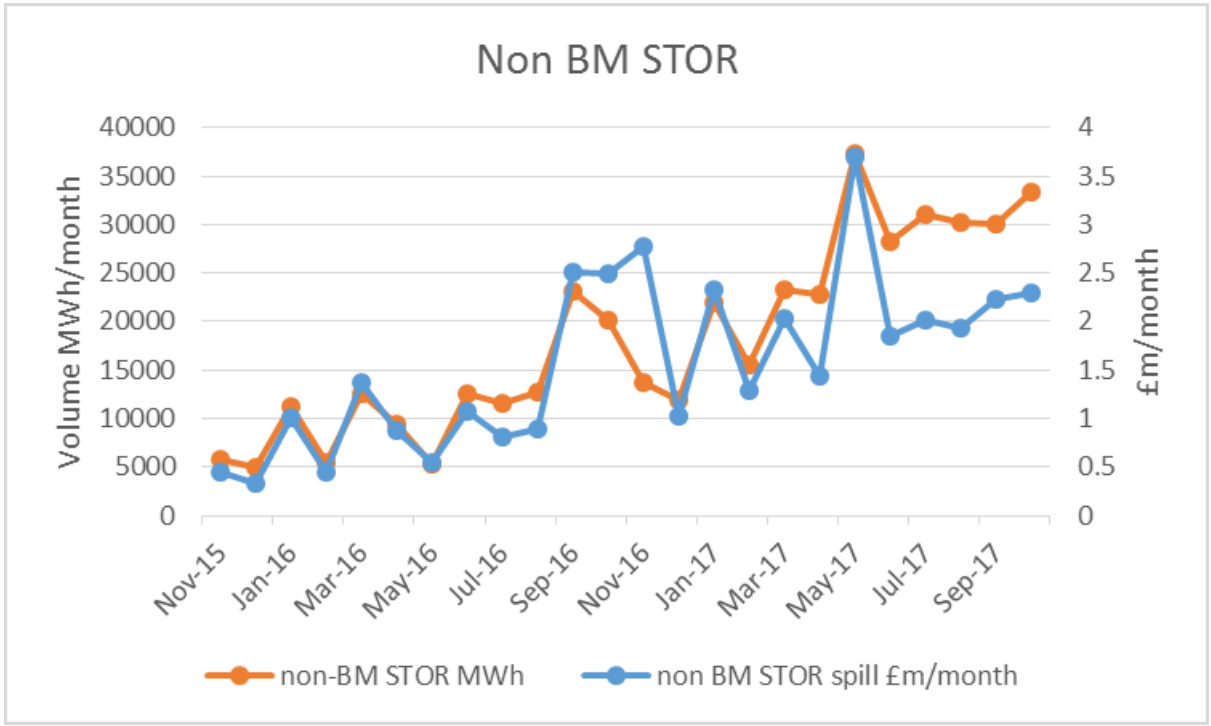
No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?	Y	We don't believe that there will be any issue with providing this information, although it would be preferable that this information is only provided after receipt of the "backing data" from the SO and in the form that we receive it.
2	Can you provide any examples/evidence of when the proposed process flow may not work?	N	We believe the methodology will work as planned.
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?	A few days	If it is a simple echo back to the SO then in most circumstance this could be achieved in a few days as this data actually originates from the customer.
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?	No	No, as this is the current basis of settlement and monitoring of delivery of the service

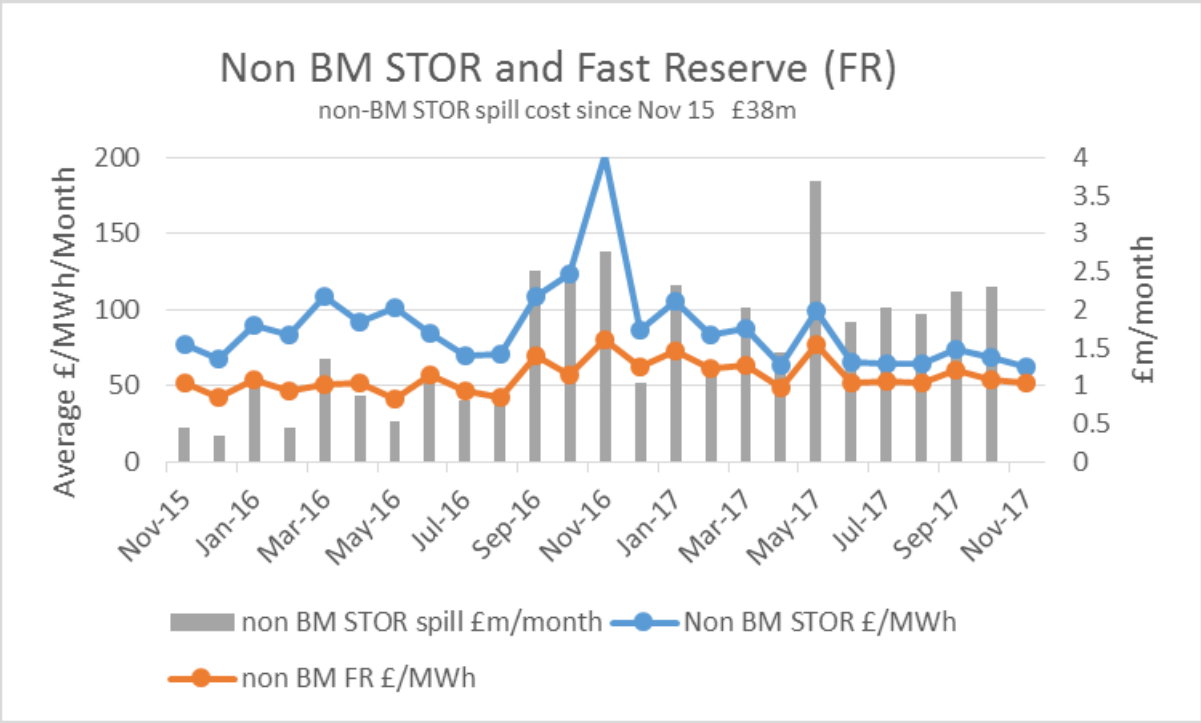
No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?	Both are important	The priority should be to provide the best available data in the required time line with an emphasis on early submission.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?	Not cost effective	We don't think that this is practical given the cost per meter and that this will simply replace operational metering.
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?		We believe that the customer providing energy to the SO should be responsible for the consequences of its actions. As such the supplier should not be subject to imbalance when the customer provides balancing services to the SO. This requires the contractual relationship between the supplier and the customer to take account of the lower than expected use at the customer's site (in the case of demand reduction) when the customer provides balancing services to the SO. This would normally be by an exchange of information between the customer and the supplier. It may be pragmatic to automate this information provision by optionally allowing the customer to request that this information is provided to the supplier as suggested by the modification. This needs to be carefully assessed to ensure that the supplier does not unreasonably request consent from customers to disclose this information. We would thus support an alternative that deals with this information provision between the customer and the supplier on a purely contractual route.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts?	No	No, we do not believe that given the level of competition in the energy supply market there are any competition issues associated with this modification.

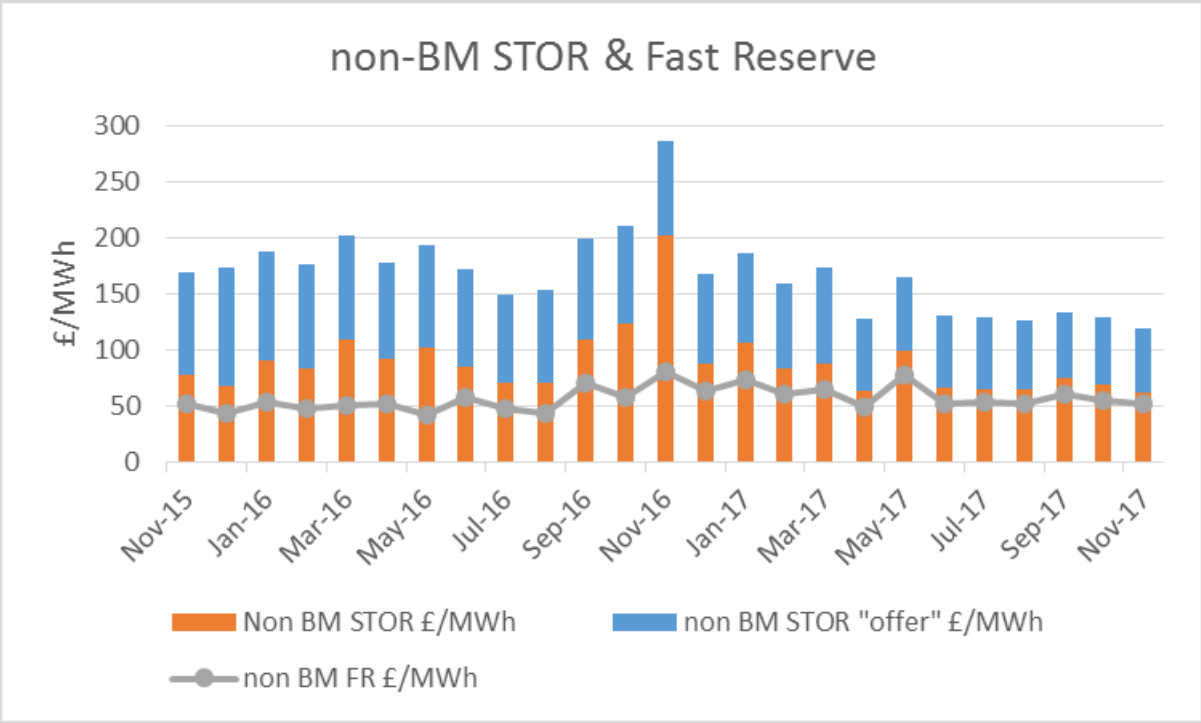
No	Question	Response (Y/N)	Rationale
	How might this be mitigated?		
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?	Yes	In our circumstance we believe that we would need to implement a process to pass back the backing data to the SO once verified by internal processes.
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?	April 2019	We believe that an implementation date of April 2019 is appropriate with the C16 methodology being switched on for both STOR and Fast Reserve at this time. We agree that the "switch on" should only be applied for contracts that were tendered and accepted with full knowledge of this change so that parties will know at the point of tendering if this change will be applied to their contract if accepted. This would mean that any contracts that were tendered after Ofgem makes its decision would be able to take account of the change. We are aware that an alternative of April 19 for Fast Reserve and Autumn 2019 for STOR may be an option for C16 switch on but in both cases the BSC solution would need to be in place ahead of the earlier date. The annual additional cost of Spill energy is now around £2m/month so an early implementation is important to deliver consumer value We believe that the distortion has now risen to such a level (£38m to date £2m/month) that the SO should consider if it should take account of this cost in assessment of upcoming tenders for FR and STOR from April 18 prior to a potential implementation of P354.
11	Do you agree with the proposed changes to the ABSVD methodology?	Yes	They give effect to the proposal.
12	Do you have any other comments?	Yes	Transmission Licence C16 Statements require the Transmission Company to procure and use Balancing Services without discriminating between classes of users. The current procurement of non-BM services does not take account of the additional customer cost of the use of non-BM services and creates discrimination between BM and non-BM classes to the detriment of BM providers and customers. The attached Appendix to our submission details the materiality of the issue and includes detailed information on the monthly cost of spill energy relating to non-BM calls and the volume of non-BM instructed. ENGIE estimates that over the period November 15 to October 17, the cost of spill

No	Question	Response (Y/N)	Rationale
			payments received by suppliers related to the SO use of non-BM services is around £38m. The average cost of spill energy during non BM STOR calls now stands at £70/MWh (October 17) and the volume of non-BM STOR instructed has risen significantly with a six fold increase over the last two years.

Appendix A
The three charts below are based on ENGIE analysis of data following the implementation of P305 (up to 14th November 17) these show the estimated cost, volume and prices (£/MWh) associated with spill energy for non-BM STOR units. An estimate of the spill energy price associated with the use of non-BM Fast Reserve (FR) unit is also given based on typical running patterns.




Non BM STOR and Fast Reserve (FR)
non-BM STOR spill cost since Nov 15 £38m
Average £/MWh/Month
£m/month
200
150
100
50
0
4
3.5
3
2.5
2
1.5
1
0.5
0
Nov-15
Jan-16
Mar-16
May-16
Jul-16
Sep-16
Nov-16
Jan-17
Mar-17
May-17
Jul-17
Sep-17
Nov-17
non BM STOR spill £m/month
Non BM STOR £/MWh
non BM FR £/MWh



 Responses collated 18/12/17 , please note some **CONFIDENTIAL** responses removed

Respondent:	Bill Reed
Company Name:	RWE Supply & Trading GmbH
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?	-	We do not have any evidence that there are significant issues associated with the provision of collared delivered volumes from BSPs to National Grid.
2	Can you provide any examples/evidence of when the proposed process flow may not work?	No	
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?	No	
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?	-	

No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?	-	It is important that the date that enters settlement is as accurate as possible since this affects imbalance adjustments and party cash flows.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?	-	While the solution would be effective in addressing the defect it is likely that it would severely disrupt the provision of service and be expensive to deliver. Therefore this does not seem a proportionate response to the issues raised under P354.
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	-	We do not have views on this matter.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?	-	We do not have views on this matter
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?	-	We do not have views on this matter

No	Question	Response (Y/N)	Rationale
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?	April 2019	The changes should be implemented as soon as practicable.
11	Do you agree with the proposed changes to the ABSVD methodology?	Yes	
12	Do you have any other comments?	Yes	P354and the ABSVD changes should apply to prospective new contracts and should not apply to contracts already in place

Respondent:	Colin Prestwich
Company Name:	SmartestEnergy
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		No comment
2	Can you provide any examples/evidence of when the proposed process flow may not work?		No comment
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		No comment
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?		No comment

No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		Obviously, the data needs to 100% accurate eventually. A reasonable level of estimation could be acceptable in an early settlement run.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?		It may not be deemed proportionate but it is preferable to leaving suppliers with an imbalance position which they cannot reconcile with their customers. What are the cost of installing metering? Are they really a large proportion of the revenues expected from the service provider activity?
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	Yes	Suppliers need to see the half hourly data by MPAN so that they can adjust the billing of customers who are apparently spilling.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?	No	We do not believe there are any competition issues. However, one way of mitigating the problem (i.e. ensuring suppliers are kept whole and also do not see which customers have been providing services through other aggregators) is for a financial correction for the spill between NGT and the customer/aggregator rather than a volume correction in the supplier account. See below.
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		No comment

No	Question	Response (Y/N)	Rationale
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?		If we were to receive the necessary data to reconcile volume positions a system change would be required. It would be a tall order to get this in in time for April 2019.
11	Do you agree with the proposed changes to the ABSVD methodology?	No	Please see below.
12	Do you have any other comments?	Yes	The consultation document points out that Article 49 of the European Guideline for Balancing requires TSOs to "calculate an imbalance adjustment to be applied to the concerned balance responsible parties for each ABSVD informal activated balancing energy bid". NGT go on to say that "effectively this means that in GB the SO will need to ensure that imbalance is correctly attributed when Balancing Services are delivered. In the case of non-BM Balancing Services providers, this means that delivered balancing energy is neutralised against the relevant Supplier's account." We do not agree that this necessarily means that volumes need to be changed in the Supplier's account. The adjustment could be financial. Suppliers processes assume that the energy which passes through the meter is that on which they are settled. This is a fundamental feature of the BSC. In our view, a better solution would be to adjust the payments to embedded generators in the NGT sphere i.e. a secondary correcting cash transfer at SSP could be made where the BMU does not have its position corrected through ABSVD. If non-BM Units and their aggregators know that they will have to pay a secondary cashflow they will adjust their bids for STOR accordingly.

Respondent:	Saskia Barker
Company Name:	Flexitricity Limited
Does this response contain confidential information? If yes, please specify.	Yes, all confidential parts are clearly marked and in bold.

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		For services where the provider does not currently provide National Grid with the MW or MWh hours delivered for a service (for example FFR), providers would need to change their systems to allow them to calculate these volumes. Since National Grid does not currently provide these volumes to balancing services providers through backing data at any point in the process, National Grid would have to complete this work first so that providers know what National Grid is using to define 'delivered MWh' for frequency services and so that this data can be verified. For sites with more than one incomer, it will be difficult for the balancing service provider to determine which MSID pair to assign the volumes to as they often have no access to the boundary meter data. Another issue for sites with more than one incomer is that for the balancing services provider, 'pairing' the import and export MPANs together is often impossible without requesting information from the MOp, who is an agent of the supplier. The MOp could then easily inform the supplier which would be a competition issue as described later in this response. The proposed solution rests on the balancing services provider correctly guessing which import and which export MSID belong to the same incomer. If this information is available to someone other than the supplier or their agents, it would be useful if the MSIDs could be paired for the balancing services provider as part of the registration process. If the balancing services provider has not received backing data from National Grid, it is impossible for them to accurately determine the total delivered volumes that will agree with National Grid's final value for services. This is partly because National Grid may poll the metering value less frequently than the service provider, and partly because in our experience, disputes in relation to metering data occur frequently and take many months to resolve. A provider subject to a correction on the basis of MWh data that exceed the value which National Grid calculates will be penalised for participating. Non-BM Balancing services providers need to rely on the customer to give them the correct MPANs. Because they don't have access to ECOS there is no way for the provider to verify that these numbers are correct. It would be useful if a party with access to ECOS verified that the MPANs are for the correct address as part of the registration process.

No	Question	Response (Y/N)	Rationale
2	Can you provide any examples/evidence of when the proposed process flow may not work?	Y	For any site providing balancing services that has more than one incomer and only receive access to their own boundary metering data through their supplier over a month after the fact, it would be difficult, if not impossible to correctly assign the balancing services volumes to the correct MSID pair within the timeframe suggested in this proposal. For services that currently don't have the concept of delivered MWh, like frequency services, or are going through an interface change with National Grid like Demand Turn Up it is impossible to tell what further issues would arise because it is unclear what National Grid would like to receive from providers.
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		It would take approximately 5 working days, around the other tasks the person who would disaggregate the data has. Of course this will depend on leave, illness, etc. as most balancing service providers are small companies with at most one person undertaking this task.

No	Question	Response (Y/N)	Rationale
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?	Y	Yes, if backing data is not received from National Grid at any point during the process, then the whole process is meaningless since there would be no way to check that the adjustments being applied are reasonable, let alone correct. There would be no way for providers to verify that the data they are providing to National Grid are correct, and no way for National Grid to verify it. Correcting supplier's positions with unverified data would be unhelpful to everyone. Furthermore, if backing data is only provided after the deadline for the balancing services provider to provide disaggregated data to National Grid it will mean that for every day the data will need to be submitted again once the backing data has been received. The reasons for the differences between National Grid's backing data and the service providers operational metering records are (i) balancing service providers poll the metering more frequently than National Grid and thus have a more accurate measure; (ii) the age of National Grid's systems gives rise to regular failures in data transfer, resulting in apparent zero delivery when in fact delivery occurred; (iii) the calculation of capped ramping energy in National Grid's STOR Despatch system differs from the calculation set out in the STOR Standard Contract Terms. National Grid pays only in respect of its own measurement of energy flows; while a dispute may result in this information being corrected, it is only when that happens that the provider is paid in full. This may take several months Disaggregation prior to receipt of backing data will create double the work for balancing services providers. These are often small organisations for whom repeating this task will be a significant use of resources.
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		Basing the submission on backing data is the ideal solution as it means balancing services providers will not need to do the same task twice, once before we receive backing data, and again after. It doesn't make sense to make an imbalance adjustment based on data that cannot be verified.

No	Question	Response (Y/N)	Rationale
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?	Y	Installing settlement meters on each reserve providing unit would mean providers aggregating small units would incur a disproportionately large cost to provide a service they are already providing, pushing them out of the market. From the CM bespoke metering process we know that having a settlement meter installed directly on a reserve providing unit takes a significant amount of time (often more than 6 months), often requires a shutdown at the site, and can mean the installation of new current and voltage transformers. To start this process the site often needs to speak to their MOp, an agent of the supplier. This means the site will need to ask their supplier for the for the contact details of the MOp. This would create the same competition issues as discussed in questions 7 and 8.
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	N	The data should only be provided on the GSP group level so that the supplier's consumption account can be corrected. If suppliers have access to data at the MPAN level they will be able to identify which of their customers provide balancing services. This could lead them to force a change in their supply agreement to either try to induce the customer to provide balancing services through them, or to stop providing balancing services all together. Preventing their customers from providing balancing services has been raised as a potential consequence of this modification by suppliers in the workgroup meetings. Identifying sites that can provide balancing services is a difficult task that aggregators have worked hard to gain the experience and knowledge to do. If the supplier is notified every time one of their customers signs up to provide balancing services, the supplier could easily use this system to identify flexible customers through the sensitive market information they receive through this data stream, basically using the aggregator as a free flexible customer identification tool.

No	Question	Response (Y/N)	Rationale
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?	Y	Yes. If suppliers can identify the customers from the data provided to them, it will certainly give suppliers the opportunity to either shut down or take over the non-BM balancing services market through changes to their supply agreements. If the supplier can identify the customer they have the opportunity to change the contract terms to try to force the customer to either stop providing balancing services or to do so through the supplier. Balancing services are usually an additional activity rather than core business. This means that the supplier with an agreement that influences the core business can easily push the customer to change their balancing services behaviour in order to preserve their core business supply contract. Identifying sites that can provide balancing services is a difficult task that aggregators have worked hard to gain the experience and knowledge to do. If the supplier is notified every time one of their customers signs up to provide balancing services, the supplier could easily use this system to identify flexible customers through the sensitive market information they receive through this data stream, basically using the aggregator as a free flexible customer identification tool. The data should only be provided to suppliers at the GSP group level, and should not include the MPAN, or any other information the supplier could use to identify the site, unless the customer explicitly opts in to their supplier receiving this data.

No	Question	Response (Y/N)	Rationale
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		This hinges on how National Grid would like to receive the data, which hasn't been specified. A new system would need to be built to reformat the disaggregated STOR data before passing it to National Grid. Additionally, systems would have to be developed to disaggregate frequency service data, and Demand Turn-Up data. Developing these systems is currently impossible for frequency services as the concept of delivered MWh does not exist. For DTU it will not be possible until the future interface with National Grid is developed. **[confidential text removed]** The provision of disaggregated data to National Grid by providers must be automated, because for a company like Flexitricity, which provides many services through a large number of sites, a manual system would be too burdensome and error-prone

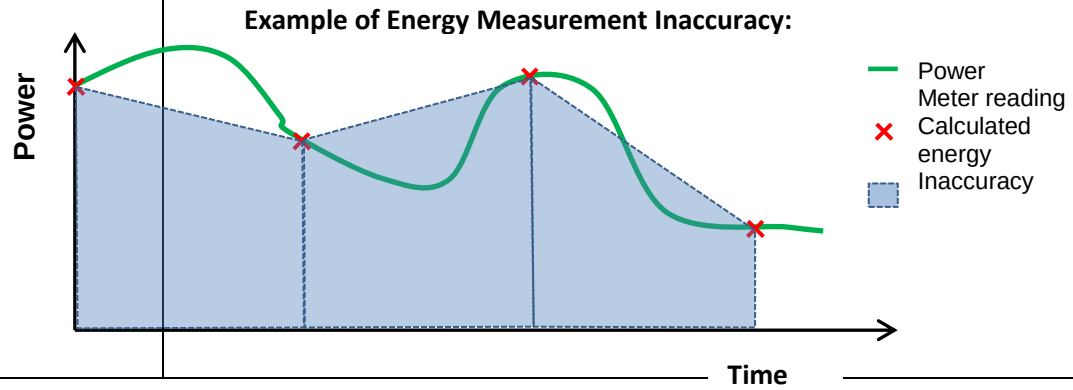
No	Question	Response (Y/N)	Rationale
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?	April 2020	Because the system operator is procuring STOR contracts for 2 years in the January 2018 tender round, April 2020 is the only feasible implementation date. Otherwise the system operator would have a large number of balancing services contracts that the providers could not possibly fulfil for 2019.
11	Do you agree with the proposed changes to the ABSVD methodology?	Y	It delivers the intention of the modification.
12	Do you have any other comments?	Y	How National Grid wants to receive this data is critical, and while it makes sense that it is not part of the consultation as it will not be designated in the ABSVD, without knowing how this additional data needs to be passed to National Grid by balancing services providers, it's impossible to truly estimate the costs and time this change will require from providers. This is especially true for services like FFR where National Grid doesn't currently have the concept of delivered volumes, so without knowing what that will mean it's impossible to predict the costs or work required. For services like DTU where the concept exists but the process for communicating delivery to National Grid is meant to change significantly by the time the changes in this consultation come into effect. Without knowing how we will communicate delivery to National Grid in the future it is impossible to know what changes we will need to make. Equally, we cannot start work on implementing any of these changes until National Grid make it clear what data they want and how they would like to receive it. It is important that if P354 does not close the BSC Section Q 6.4.5 opt-out, that a new modification is raised to ensure that the TSO is compliant with the EBGL. If this opt-out isn't removed, there is still the option for BM providers to provide STOR through non-BM instructions (this is permitted for BM plant under the STOR Standard Contract Terms clause 3.1.1(b)). This would mean those providers would be able to utilise the BSC Section Q 6.4.5 opt-out to continue to receive spill, while other non-BM STOR providers would have their position adjusted, creating further market inequity.

Respondent:	Craig Thurling
Company Name:	E.ON UK PLC
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		<u>Determination of collars for Sub-Sites in Aggregated STOR Sites:</u> The methodology for how collaring will be applied to Aggregated STOR Sites and their Sub-Sites must be determined because it could potentially be quite complicated with a range of solutions and hence decisions will need to be made about what process will be used and whether this is determined by National Grid or the Balancing Services Provider. An Aggregated STOR Site will be subject to an overall collar determined by its Instructed Volume but this collar must then be divided and assigned to the individual STOR Sub-Sites within the STOR Site, and then from these, assigned to the individual MSID pair(s) at each Sub-Site. An Aggregated STOR Site will normally contain some redundancy, so during a STOR dispatch some of the Sub-Sites will not be instructed, or may be instructed at partial load, so the division and assignment of the overall Site collar will need to consider the dispatch decisions made by the Balancing Service provider, and the Delivered Volume for each Sub Site. These dispatch decisions can vary for each STOR dispatch (for example, rotating asset running to even utilisation/wear) and can vary within a STOR dispatch in response to plant failures and trips (starting the redundant assets), so the Sub-Site collar will not be a fixed value, it is likely to be a dynamic value and will be determined uniquely for each half-hour settlement period during a STOR dispatch. One simple solution could be a Sub-Site collar, determined on a half-hourly basis, based on the Sub-Site Delivery Volume as a proportion of the Site Delivery Volume, calculating this for each half-hour period within a STOR dispatch: $$Sub\_Site\_Collar_y = Site\_Instructed\_Volume \times \frac{Sub\_Site\_Delivered\_Volume_y}{Site\_Delivered\_Volume}$$ But regardless of the method used, the above should illustrate that the Sub-Site collar will not be a simple, fixed value and the processes for determining it requires proper consideration. <u>Allocation of Capacity to MSID Pairs on Sites with Multiple Connections:</u> It is common for large sites or sites with high reliability requirements to have multiple DNO connections, each DNO connection can have a metering point and an associated MSID pair, so these sites can have multiple MSID pairs. Such sites also commonly have internal electrical systems with the capability to reconfigure their electrical system to operate from either of incoming connections, switching site loads and even generators between DNO connections according to their operational and maintenance requirements. In these cases, it isn't always possible for the Balance Services Provider to determine the unique adjustment volume applicable to each MSID pair, particularly where the Provider is an aggregator who does not know the exact configuration of the site's electrical system at all times. As a result, consideration should be given to whether it should be possible to group the MSID pairs for a site and apply the Balancing Services adjustment at the site level, either equally or proportionately across all MSID pairs.

No	Question	Response (Y/N)	Rationale
2	Can you provide any examples/evidence of when the proposed process flow may not work?		The example below is a typical scenario for an aggregating STOR Site despatch, to demonstrate that the collar will not be fixed and will need calculating for each half-hour period within a STOR despatch. Contracted Capacity = 4MW Instructed Volume = 4MW when despatched. Total Capacity in Site = 5MW, containing 5 x 1MW STOR Sub-Sites. (Sub-Sites A,B,C,D,E) Each STOR Sub-Site has 1 MSID Pair. STOR Site Collar = 4MW (2MWh) (Instructed Volume) STOR Sub-Site Collar = ??? <u>Example - Despatch 1:</u> Duration: 30 minute settlement period. Instructed Volume = 4MW (2 MWh) Despatch decision: 4 Sub-Sites (A,B,C,D each delivering 1MW.) for whole 30 minute period. Sub-site collar: A=1MW (0.5MWh), B=1MW (0.5MWh), C=1MW (0.5MWh), D=1MW (0.5MWh), E=0MW (0MWh) <u>Example - Despatch 2:</u> Same as Dispatch 1 except Sub-Site A trips after 15 minutes, with Sub-Site E being automatically started to run for the remaining 15 minutes: Duration: 30 minute settlement period. Instructed Volume = 4 MW (2 MWh) Despatch decision: 3 Sub-Sites (B ,C,D each delivering 1MW.) for whole 30 minute period. Sub-sites A & E each delivering 1MW for 15 minute period. Sub-site collar: A=1MW (0.25MWh), B=1MW (0.5MWh), C=1MW (0.5MWh), D=1MW (0.5MWh), E=1MW (0.25 MWh) <u>Allocation to MSID Pairs:</u> We have dealt with large sites which have internal HV ring main circuits, with a connection to the DNO with metering point and MSID pair at either end of the ring (i.e. two MSID pairs per circuit). Generating units were distributed along the ring circuit that were participating in Balancing Services. The total Balancing Service volume would be known, but how it divides between the two MSID pairs will depend on the configuration of the ring, which can change for operational and maintenance reasons and will not always be known by the Balancing Services Provider, particularly in the case of aggregators where they will not be in control of the site's electrical system. In this case, it would be more appropriate to apply the MSID collar and adjustments to the group of MSID pairs, rather than on an individual basis.

No	Question	Response (Y/N)	Rationale
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		Although it is believed the initial set up of the system may be complex and potentially costly it is not envisaged that the process of allocating volumes would be too cumbersome. It is likely that the systems and processes would be automated as much as possible and it is likely to take around five days to process and check.
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?		There could be an issue around metering accuracy when active power measurements from operational metering are being used to calculate energy volumes, due to the time interval between meter reads reducing the accuracy of the calculated volumes. Where the sample interval is long this could introduce inaccuracy into the calculated energy volumes, as illustrated below, so warrants some consideration. **Example of Energy Measurement Inaccuracy:** 

No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		Under the settlements rules as governed by OFGEM suppliers are required to settle half hourly metered customers by the Settlement Final (SF) with 99% accuracy. As the SF is defined by OFGEM as being one month after the end of the delivery month then in theory the provision of balancing services data should align to the settlement run process. However, suppliers may need time to process this balancing services data in line with their own working practices. Therefore, it is important that suppliers receive the balancing services metered data as quickly as is reasonable possible.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?		E.ON agrees that the installation of separate settlement meters would be disproportionate. An alternative which should be considered is whether Balancing Service Providers could use the energy metering capabilities of their existing metering. Most modern electronic meters will measure active power (kW) and import/export energy (kWh) but these energy readings are not currently used for Balancing Services monitoring/reporting. Although this metering may not always be of the half-hourly type, where the energy register is logged in a SCADA or other control system as is typically the case, the half-hourly data can be obtained from the register advance for each 30 minute period. This approach has been used in the Capacity Market, where half-hourly energy volumes are required to be determined from non-Half-hourly Balancing Services metering data.

No	Question	Response (Y/N)	Rationale
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?		E.ON believes Suppliers should be sent information for each MSID at a half hourly granularity, failure to do so would result in the Supplier not being able to accurately calculate the volume which has been delivered under the ABSVD methodology. This in turn could result in Suppliers billing customers incorrectly.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?		E.ON does not believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts. Suppliers and their customers would already have contractual arrangements in place for either the purchase or sale of volumes of power, these agreements are be used to determine the information flows between the two parties and as such the volumes which have been delivered. Fundamentally the agreement allows the Supplier to discharge their contractual requirements. Under such contractual agreements there would usually be clauses which ensure the protection of confidentiality and prevention of sharing of data to third parties excluding industry bodies such as National Grid and Elexon. Conversely, if Suppliers did not have visibility of the ABSVD volumes it would not allow Suppliers to fully discharge their contractual requirements.

No	Question	Response (Y/N)	Rationale
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		Although it is not yet possible to quantify the actual cost to the business initial thoughts are that this would be quite prohibitive. The system and process changes that would need to be introduced would have to ensure that the changes do not have an undue impact on other parts of the business and billing systems. If all costs are added up across the industry it is unlikely that the proposed change benefits would outweigh the costs.
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?		As there would be considerable work involved in implementing this change, not only to the balancing service provider systems but also the supplier systems and processes, the implementation date of April 2020 would be the preference. April 2019 would be far too early to ensure that the changes required are fully mapped out and tested prior to implementation.
11	Do you agree with the proposed changes to the ABSVD methodology?		No comment

No	Question	Response (Y/N)	Rationale
12	Do you have any other comments?		The supply (import and export) contracts between the supplier and the balancing service provider will need to be changed to ensure that the supplier is notified of the customer's participation in the balancing service. As referred to in our answers to questions 7 and 8 of this consultation failure to do may result in inaccurate billing. If the customer has to volunteer this information then additional clauses would need to be added into the contracts to ensure this occurs, else the supplier may be left with an unacceptable risk. With regards to the below *The BSC Systems will allocate ABSVD to MSIDs using the delivered volumes and MSID-level Half Hourly (HH) metered data provided by Half Hourly Data Aggregators (HHDAs).* *SVAA will identify the HHDAs responsible for each MSID in the MSID Pairs for which the TC has provided a MSID Pair Delivered Volume and request them to send disaggregated HH metered data for each relevant MSID.* *・HHDAs will send HH metered data for all MSIDs to the SVAA system for each Settlement Period.* Based on the above methodology it is not at all clear how and when it would be triggered. Does it imply a change to the volume that is sent normally (e.g. D0298) or a separate flow like the D0357? If we assume it's a new trigger data flow from the SVAA to the HHDA and a new response flows back out plus a flow to output the consumption then this would require a change to systems. The result of which would mean additional testing with costs being incurred.

Respondent:	Rick Parfett
Company Name:	The Association for Decentralised Energy
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		The ADE agrees with the proposed approach in general. For services where the Balancing Service provider does not provide National Grid with the MW or MWh delivered for a service, the provider would need to implement system changes to allow calculation of these volumes. National Grid would need to provide these volumes through backing data in order for providers to understand what they are using to define 'delivered MWh' for frequency services and to ensure this data can be checked. There is a risk, however, of the approach not working in certain scenarios, such as when a site has more than one importing MSID. In this case, without knowing the switching arrangement on site or having access to the boundary meter data it would be impossible to identify which MSID pair should be assigned the instruction. The balancing services provider is responsible for pairing the import and export MSIDs together, which becomes impossible without access to meters or the technical data from the meters. On some occasions, the aggregator would be forced to request information from the supplier's Meter Operator agent. This would result in a supplier being notified of a customer's participation in balancing services without the customer's consent. Even when there is data, it will be difficult to ensure that this pairing is correct in every instance. If the information pairing export and import MSIDs is stored in ECOS, this may solve this issue by allowing another party to check that the pairings assigned by the balancing services provider are correct. Another possible solution would be for the pairing to be done for the balancing services provider at the point of registration.

No	Question	Response (Y/N)	Rationale
2	Can you provide any examples/evidence of when the proposed process flow may not work?	Y	It is important for National Grid to consider the potential changes that would be needed to data requirements from Balancing Services providers in order to facilitate Part 1 of the proposed process flow. There may be benefits in National Grid setting out how the changes to data flows might be achieved through, for example, changes to standard contract terms. For sites with more than one incomer that receive access to boundary metering data through their supplier, the timeframe suggested is likely to be insufficient. As it can often take over a month to receive this data, it will be extremely difficult to assign the balancing services volumes data to the correct MSID in this timeframe.
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		Member feedback indicates that this would take approximately five working days in a 'normal' week. As most balancing services providers are relatively small companies, however, this could take longer on occasion due limited staff resources and unplanned challenges which can arise.
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?	Y	It is crucial that backing data is available; without receiving data from National Grid there will be no means of checking that the adjustments derived are correct. Providers will be unable to check that the data being provided to National Grid is correct, and National Grid will have no way to verify this data. There is also a risk that, if backing data is only provided after the balancing services provider has submitted disaggregated data to National Grid, this disaggregated data will need to be resubmitted in light of the backing data. This considerably increases the administrative burden upon the balancing services provider.
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		The ADE believes that priority should be given to accuracy of information over speed of imbalance adjustment. Basing volume submissions on backing data is likely to be more accurate and encounter fewer complications that using operational metering data. While speed of imbalance adjustment is a factor worth considering, it is crucial that the information that settlement is based on is accurate.

No	Question	Response (Y/N)	Rationale
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?	Y	The ADE strongly agrees with the Workgroup position that the installation of separate settlement meters on each Reserve Providing Unit would be disproportionately costly and onerous. Such a requirement would create a barrier to entry to the market for smaller parties, thereby negatively impacting competition.
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	N	The ADE does not agree that Suppliers should be provided with information on ABSVD volumes at any greater granularity than at Supplier account level, as this could damage competition and release commercially sensitive information to competitors. Since suppliers will be corrected from the impact of DSR activations that involve their customers, we do not believe there is any benefit to requiring their customers to inform them about their unrelated commercial arrangements. We are concerned that providing information at a greater level of granularity would give, for no identified benefit, sensitive commercial information to the supplier, who can then decide to approach the DSR consumer. This would create a market information imbalance between aggregators and suppliers. Identifying consumers eager and able to enrol in DSR programs has a commercial value in itself: it is time consuming and requires expertise that would in this proposal be given to a competitor for no benefit. Further, it is essential for free competition that the supplier is not given the opportunity for a 'soft' veto of the customer participating in balancing services through another supplier or through an aggregator. A 'soft' veto might include requiring a contract term which limits the customer's participation in balancing services or requiring the customer to participate in balancing services through the supplier. As DSR is always a 'secondary' activity for business customers, a customer's supplier could quickly create 'exclusive dealing' arrangements with customers. Exclusive dealing is a well-recognised barrier to entry and would effectively stifle the expansion and growth of a competitive DSR market.

No	Question	Response (Y/N)	Rationale
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?	Y	As stated in the answer to Question 7, the ADE believes that there are potentially serious competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts. These risks might be mitigated by only providing information to Suppliers on the ABSVD volumes neutralised within their energy accounts at the Supplier account level while ensuring that all information is sufficiently anonymised to prevent identification of individual customers.
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		It is difficult to analyse the system changes required before National Grid have identified the way that they would like to receive the data, which will be specified in the updated Standard Terms and Conditions. Members indicate that a new system would have to be built in order to reformat disaggregated STOR data before it is passed on to the System Operator. Systems will also have to be developed to disaggregate frequency service data and Demand Turn Up data. Developing a system for the former requires the concept of delivered MWh, while developing the latter will only be possible once the future interface with National Grid has been developed. It is important that provision of disaggregated data to National Grid be on an automated basis; demand service providers provide a range of services through a large number of sites, so any manual system would cause administrative burdens and risk errors.
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?		As National Grid has invited providers to tender for STOR contracts up to two years ahead in January, the ADE believes that April 2020 is the only appropriate implementation date. This would align implementation with National Grid's changes to the Standard Terms and Conditions of affected balancing services contracts. If the Modification were implemented in April 2019, National Grid would be left with a number of contracts that providers could not fulfil. It is important that these changes are implemented before P354 comes into effect due to the latter's requirement for a process around sub-site metering.

No	Question	Response (Y/N)	Rationale
11	Do you agree with the proposed changes to the ABSVD methodology?	Y	The ADE agrees with the proposed changes to the ABSVD methodology as long as it does not require the installation of disproportionately costly settlement meters or provide Suppliers with information on ABSVD volumes at any greater granularity than at Supplier account level.
12	Do you have any other comments?	N	The ADE does not have any other comments.

Respondent:	Nick Sillito
Company Name:	PeakGen
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?	No Response	
2	Can you provide any examples/evidence of when the proposed process flow may not work?	No Response	
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?	No Response	
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?	No Response	

No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?	No Response	
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?	No Response	
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	No Response	
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?	No Response	
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?	No Response	

No	Question	Response (Y/N)	Rationale
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?	No Response	
11	Do you agree with the proposed changes to the ABSVD methodology?	No Response	
12	Do you have any other comments?	Yes	There are clear disparities between the treatment of ancillary services providers whop participate in the Balancing Mechanism and those that do not. Proper competition is based on the equal treatment of all parties. Rather than an ad-hoc modification of the ABSVD statement we would like to see a proper overhaul of the routes parties are able to provider ancillary services to National Grid, removing all of the inconsistencies between BM and non-BM providers (for example frequency of price change, non-locational despatch, treatment of non-delivery). The current P354/ABSVD process feels like it should have been a facilitation modification resulting from the completion of a comprehensive overhaul. There are a number of other changes to the way that National Grid procures balancing services that could also adjust imbalance cashflows for the delivery of balancing services – and not all require any modification of the BSC or of its systems. Again, it would be helpful if these alternates could be assessed and the preferred solution identified (taking account of completion issues, implementational costs etc.) before a consultation of the detail of one particular solution. If imbalance adjustment is to be delivered by P354/ABSVD, we would like to see a more explicit methodology for the calculation of volumes set out in the methodology (as is the case for BM service provision). Finally, it is not clear to us that there are sufficient checks and balances in the process to allow errors in volume allocation to be properly identified in the process. For example, if an MSID was wrongly recorded against a service provider and the volume was allocated to the wrong supplier. How would this be detected? In summary we would like to see a proper overhaul of balancing services provision to ensure proper competition between the BM and non-BM routes. If such a review identifies volume adjustment via MSID pair as the most effective route to deliver this, then it would be appropriate to develop this solution.

Respondent:	Helen Stack
Company Name:	Centrica
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?	See comments under Rationale	It will be difficult to provide the required data within 20 calendar days of the day that the service was delivered. (Timing throughout parts 2 to 4 of the end-to-end process will be a challenge.) We note that the Workgroup discussed types of metering data and felt that operational metering should be sufficiently accurate for this purpose and be more readily available within the timescales needed. The use of operational data creates a potential issue in that there may be differences in the standard of operational metering calculations across different customers. We are not opposed to the use of operational data but guidelines on minimal standards for this data will need to be agreed before implementation.

No	Question	Response (Y/N)	Rationale
2	Can you provide any examples/evidence of when the proposed process flow may not work?	Yes	There are a few situations where it could be challenging for parties to provide accurate data: □ It would be complex for aggregators delivering STOR across a variable baseline from multiple assets. □ There may be instances where other items such as solar or CHP may skew the localised meter data.
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?	See comments under Rationale	As we also mention in response to Q1, the use of operational metering data could lead to variable standards in the calculation of collared delivered volumes by different parties. A minimal data standard or guideline should be agreed before implementation.
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?	See comments under Rationale	There needs to be a balance. If there are delays in exchanging data throughout the whole process shown in Appendix 3, then it creates a need for multiple billing corrections. The majority of customer invoicing is undertaken at SF. If the Supplier position is not corrected until R1, this will lead to the need for persistent billing corrections.

No	Question	Response (Y/N)	Rationale
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?	See comments under Rationale	We agree that this would be disproportionally costly and could create a barrier to entry for smaller market participants.
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	Yes	We believe that Suppliers will need halfhourly MSID ABSVD volumes for a number of reasons. The following bullets are taken from our P354 response on the same issue. □ Suppliers need the MSID ABSVD volumes to bill Customers accurately (this can include passing on benefits as well as charges). Data should be provided Half Hourly. □ We also believe that the relevant Supplier will need visibility of the MSID level ABSVD to reconcile the MPAN reads to Account Credited Energy. It is a standard process to make this reconciliation and only crediting the volume at account level, with a delay, will complicate the reconciliation and allocations process significantly. □ Similarly, visibility of this data will be needed to ensure that the Supplier does not pay for energy (as reported on the D-flows) which is not subsequently credited to their account. There seems to be a significant disconnect in the methodology between SAA volumes and the standard SVA processes. In P354 the Assessment Procedure Consultation document proposes that Customers should be able to give

No	Question	Response (Y/N)	Rationale
			permission for the Transmission Company to provide MSID ABSVD volumes to Suppliers. This approach would be preferable to the Supplier having to request provision of more granular information directly from the customer.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?	No	We do not believe that there are any competition issues associated with the provision of this information. This information is essential for effective management of both the Supplier and Customer accounts, and accurate billing of the Customer by the Supplier.
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?	See comments under Rationale	We would need to make some system and contractual changes.
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?	See comments under Rationale	We believe that an April 2019 implementation date is more appropriate as we are in favour of levelling the playing field as soon as possible. With the same aim of creating a level playing field we would like to see the Balancing Mechanism opened to more participants as soon as possible. We therefore support timely implementation of BSC mod P355, known as “BM Lite”.
11	Do you agree with the proposed changes to the	Yes – subject to	We support the general approach, but some more thought needs to be given to

No	Question	Response (Y/N)	Rationale
	ABSVD methodology?	further thought on practical implementation	the practicalities.
12	Do you have any other comments?	Yes	We have attached our response to the P354 consultation to be read alongside this. One issue we mention in our response to P354 is that Import and Export MSIDs do not need to be registered to the same Supplier. Often, they are not. Therefore, when National Grid provides a delivered volume for each MSID pair, it is unclear how this would then be split back out between Supplier accounts.

Respondent:	Martin Mate
Company Name:	EDF Energy
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		Provided NGET do not settle over-delivery volumes, collaring at the delivered volume is consistent with the aim of P354 to avoid potential double settlement with providers. If over-delivery against instruction is not included in ABSVD as proposed, it is likely to cause imbalances for the registering Supplier. If this is spill, it could result in additional payments by the Supplier to the provider. However, if NGET do not also pay the provider for this over-delivery, there should be no double payment.
2	Can you provide any examples/evidence of when the proposed process flow may not work?		What will happen if Non-BM providers do not provide MSID Pair data in the timescales and in the format expected?
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?		National Grid should ensure that accurate monitoring and recording is in place to verify and validate instructed and delivered volumes. It should be acceptable to use operational metering for this, and in some cases may be the only practical way of monitoring delivery. It should not be acceptable to have no verification of delivered volumes other than by the provider.

No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?		Because non-BM providers do not have the equivalent of minute by minute Physical Notification to set a reference level for delivery, settlement meter data would not necessarily provide data at a time resolution sufficient to verify delivered volumes. However, operational metering from registered settlement meters would provide this resolution, and would provide additional reassurance that volumes are being measured accurately. Whether a requirement for registered settlement meters would be proportionate will depend on installation costs, costs of supporting difference metering arrangements in settlement, and materiality of the volumes being measured. The BSC has a dispensation process to consider such situations, but it's not clear this could be used for this purpose.

No	Question	Response (Y/N)	Rationale
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	Yes	As a minimum, volume should be provided at BM Unit level. This is necessary (a) to allow ABSVD volume to be considered in Metered Volume Reallocation Notifications (MVRN) to subsidiary parties, (b) to support supplier forecasting and reporting at a zonal level and (c) to allocate any identified costs associated with uncertainty in ABSVD to zones in which the uncertainty arises. If ABSVD is not provided at BM Unit level, unadjusted meter volumes will be transferred by MVRN to subsidiary parties regardless of ABSVD. If ABSVD is only adjusted at party account level, lead and subsidiary parties will get opposing imbalances due to it. Ideally, suppliers should have full visibility of the actions being instructed and delivered by their customers. This will support more accurate forecasting, and avoid potential cross-subsidy of uncertainty risks between customers providing services, and those not providing services. While volumes are small, such subsidies may be acceptable, but if volumes increase may not be. Note that STOR standard terms require providers not to be in breach of supply agreements, and most supply agreements will require the customer to inform the supplier if it is, or does in future, contract to provide balancing services to NGET or anyone else. However, without transparency there is no way to know if agreements are being complied with, with a result that any costs of consequential uncertainty would be shared across customers more widely. A compromise we supported for similar issues under P344 would be for Elexon (or another independent agent) to maintain a register of (MSID, Date, BSP/Non-BM Provider/Contract Id, Supplier, HHDA, BMU) for non-BM providers. It would need regular/daily updating to reflect MRA meter registration/agent appointment changes. NGET, Elexon and SVAA could use it as a common point of reference for relevant MSIDs. Suppliers and BSPs could use it to check or verify relevant MSIDs registered to them. SVAA/HHDA (or SAA?) could use it to match MSID to BMU.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?	No	Concerns that Suppliers might use information on their customers' provision of balancing services to NGET to target additional costs incurred on those customers, or to lure those customers from a non-BSC aggregator to their own balancing or aggregation service, should be addressed by licence conditions, not by creating unnecessary opacity. It can be argued that aggregators acting as agents of suppliers, in co-operation with them, ought to be able to provide a more effective overall service, avoiding cross-subsidy with non-participating customers.

No	Question	Response (Y/N)	Rationale
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?		Implementation in April 2019 would deliver benefits of P354 earlier, and should give sufficient time for implementation if a decision is made soon. However, it could create issues for any existing longer/2 year contracts. If decision is significantly delayed, then a later implementation date of April 2020 may be necessary for practical reasons. Since the decision date in relation to P354 changes is uncertain at this stage, the next tenders should not go beyond March 2019.
11	Do you agree with the proposed changes to the ABSVD methodology?		In principle, we recognize the requirement to adjust Balancing Responsible Party volumes. The effective date for changes to support P354 should be distinguished from other changes that might be made, for example for the year beginning 01 April 2018. Timescales for reporting seem excessively long. NGET should seek to reduce them. The new 'Part C: Applicable Balancing Services Volume Data 'ABSVD' for Non-BM Participants' does not identify the individual services that would be covered, or any detail of the method of determining the volumes. The existing Part C (which should be relabelled) with the ABSVD 'methodology' does describe details of the calculation of volume and the 'service flag', and much of this may be the same or similar for Non-BM providers. In the draft requirements document, it's not clear why NGET wouldn't perform any 'collaring' of delivery volume data centrally, since it knows the instructed volumes.

No	Question	Response (Y/N)	Rationale
12	Do you have any other comments?		For the purposes of Balancing Services Adjustment Data (BSAD) used for BSC Imbalance Price calculations, the volumes, costs and flagging of balancing services are required/expected quickly. For provision of balancing in the BM, firm payment is made on instructed volume. This allows imbalance prices to be determined close to real time. Delivery errors are subject to imbalance determined post-event, either for the BM Unit lead party or for the MVRN subsidiary party(s), together with potential 'non-delivery' charges to avoid deliberate non-delivery where imbalance price is advantageous. For non-BM provision, payment is generally made on collared delivered volume, with other incentives to deliver accurately. The delivered volume might not be determined until long after the event, and long after the boundary meter values have entered settlement. For use in BSAD, non-BM instructed volumes should be used for early determination of imbalance price and, it can be argued, should be all that is used. If instructed volumes were used to determine ABSVD, suppliers would have early certainty of settlement, but would be exposed to imbalance for delivery errors, like BM providers. If suppliers have visibility of delivery performance, they could settle accordingly, but under the proposal as it stands they may not have visibility. [EBGL Article 45: '(a) the calculation of the activated volume of balancing energy based on requested or metered activation;']

Respondent:	James Jackson
Company Name:	UK Power Reserve
Does this response contain confidential information? If yes, please specify.	Yes. The response to Question 12.

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		The systems in place work, but they place an additional burden on smaller parties.
2	Can you provide any examples/evidence of when the proposed process flow may not work?		
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		Approximately one month.
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?		We anticipate that the use of operational metering data will lead to a loss of accuracy, and as a result will increase imbalance exposures.

No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		Both options cause major issues – particularly with the expected accuracy of settlement data. If accuracy of information is prioritised, the lengthy timeframes risk stemming cashflows and creating imbalance exposures. If speed of data is prioritised, the lack of accuracy will lead to uncertainty. Parties could be calculating based on inaccurate settlement data, then leading to imbalance exposures and economic difficulties.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?		What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?		Yes. This must be provided at MPAN level.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?		Yes. We envisage significant competition issues, as suppliers would be able to utilise and abuse their knowledge of the market. Suppliers will be able to use the information to target the customers of aggregators, and effectively steal them away using soft power.
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		Smaller parties would only be able to manage flows by excel or email e.g. those who are not BSC or BM parties. The costs could be considerable if significant amounts of administration are involved.

No	Question	Response (Y/N)	Rationale
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?		April 2020.
11	Do you agree with the proposed changes to the ABSVD methodology?		Although we agree that changes should be made, we don't agree with the proposed methodology. See question 12 for an outline of our alternative proposal.
12	Do you have any other comments?		**[confidential text removed]**

Respondent:	Matthew Tucker
Company Name:	Welsh Power
Does this response contain confidential information? If yes, please specify.	No

The questions below largely cover the mechanics of how a change to the ABSVD will be carried out via BSC data flows. Welsh Power does not believe that the modification has been an appropriate way to develop a long term solution to the inequality in treatment of different parties within the energy market. This is a far wider issue about competition and equitable market access and needs to addressed at source.
Firstly we are disappointed that the report takes as fact the "savings" customers could achieve under a change to the BSC rules. This is a far more complex change to the market than the report explains, which we assume that Ofgem would have to address in an Impact Assessment of its own given the wide ranging impact of the proposed changes. If ancillary service providers lose one source of revenue they will have to make it up elsewhere, and the inability of smaller parties to participate in the "energy only" market is a far bigger distortion that needs to be resolved in the parallel to this modification.
The technical issues with the proposed solution relate to who can see the data and track their own energy position. As the solution stands a supplier who has a customer on say STOR, but the contract is either direct with the customer or via a third party, cannot see that energy is being taken out of its account for that specific site. The solution therefore undermines the principle that each BSC party should be forecasting their energy needs and acting to balance their own portfolios. It effectively adds another "correction factor" to the Supplier's energy account which it will not be able to track or identify.

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		The issue is that not all parties with an impacted commercial position would be aware of the changes in energy allocated to their business. Ultimately this will result in inefficiencies creeping into the market, for example suppliers may refuse to supply companies who provide ancillary services.
2	Can you provide any examples/evidence of when the proposed process flow may not work?		N/A

No	Question	Response (Y/N)	Rationale
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?	Y	This would depend on the complexity of the underlying commercial arrangements. Where the service provider is a conventional generator with a one to one link between contracted party and MSID a standing rule could be used so the exercise could be completed very quickly. More complex arrangements for aggregators will likely require more time.
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?		Not that we can see. However, any metering solution must be sufficient to ensure that the SO is paying the right amount to the provider and associated energy volumes can also be allocated correctly, with the changes in energy accounts understood by ALL impacted parties (BSC signatories or not).
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		We do not see why a solution cannot be found that allows for accurate data to provide for the II run, as it would be for BM plants.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?		To require new metering, if the current metering is fit for purpose, seems disproportionate. However, metering must be accurate and capable of being read in settlement timeframes. Making settlement less accurate close to real time will result in increased credit requirements.

No	Question	Response (Y/N)	Rationale
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?	Y	While we are not a supplier, we think the principles around transparency and accuracy must be upheld. If a Supplier does not know which of its customers are providing a service how do they know how to correctly price contracts to reflect energy bought for by the supplier on behalf of a customer and allocated to the right customer? As the proposal stands the supplier will buy energy it cannot bill to anyone and will therefore see its average energy cost increase, smearing costs to all customers. This cannot be an efficiency improvement on where the market is now.
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?		We understand why certain providers would be very concerned with their customers being identified to the relevant supplier who is likely to have its own DSR service offering. Once identified the customer would be an obvious candidate for the supplier to offer DSR services to. This would be detrimental to the aggregator who will likely be at a competitive disadvantage. However we do not believe it is practical for adjustments to be made at the supplier BMU level and for the supplier not to be informed of which customers are causing the ABSVD adjustment. We do not have a solution as to how these conflicting positions can be reconciled.
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?	N/A	All sites providing these services, if not prohibitively expensive, should be using comparable metering and communications systems, operating in the same timescales. Where a provider cannot achieve those data flows it should not be eligible to provide Balancing Services.
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?		We have noted in the ABSVD meetings and the P354 meetings that this is a far wider issue than allocation of energy from Balancing Services. All parties need equitable access to the **whole** energy market and this change should not be made until non-BM service providers have equitable access to the wholesale and BM market. We believe implementation should be no earlier than April 2020 to allow sufficient time for the changes to be communicated and understood by the market. This should hopefully also allow sufficient time to develop equal market access for nonBM providers.
11	Do you agree with the proposed changes to the ABSVD methodology?	N	No for the reasons outlined above.

No	Question	Response (Y/N)	Rationale
12	Do you have any other comments?	Yes	As noted above there are a wide range of issues around the treatment of non-BM and BM plant, both in the provision of ancillary services and their access to the wider wholesale market, notably the inability of the smaller parties to be in the BM. Welsh Power supports the principle of level playing fields, with competition based on the equal treatment of all parties. This modification is an attempt to alter one route to market for non-BM parties, with a real risk to stopping DSR providers being in the market at all, while not addressing the lack of access to the BM for small gencos. It cannot be good for competition to create barriers and costs for these parties without unlocking alternative markets for them. National Grid and Ofgem must work with all parties to remove all of the inconsistencies between BM and non-BM providers (for example frequency of price change, non-locational despatch, treatment of non-delivery). Only when there has been a full review should these types of facilitation modifications be allowed to proceed. As National Grid is already reviewing its Balancing Services (under SNAPs) and there are proposed changes to try and get non-BM plant into the energy market (P344 and P355) so this change should also be considered only once these wider changes are made. In National's Grid review they have talked about new systems, such as day ahead tenders for some Balancing Services, so there is a risk that accepting this modification will create costs to make changes that may be short lived given wider market changes. Welsh Power would therefore urge Ofgem to park this change until such time as the associated reviews and changes have been implemented and the creation of a level playing can be achieved in practice.

Respondent:	Kate Garth
Company Name:	Npower ltd
Does this response contain confidential information? If yes, please specify.	Yes

Response removed from collation as confidential sections not specified.

Respondent:	Andrew Colley
Company Name:	SSE plc
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?		Ensuring that clear and consistent rules are set out to ensure that the collar can be appropriately and correctly applied in all circumstances.
2	Can you provide any examples/evidence of when the proposed process flow may not work?		Not currently.
3	Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?		1 to 2 weeks after receipt.
4	Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?		Operational meters are not ideal for use as they are not required to adhere to the Metering Codes of Practice standards established by the BSC, which amongst other things defines the levels of accuracy required. Our view therefore is that fiscal metering should always be utilised where available; not superseded by operational metering as a preferred option. However, in the absence of a fiscal meter, then SSE are comfortable that operational metering will give a reasonable measure of volume when deriving collared volumes.

No	Question	Response (Y/N)	Rationale
5	What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?		Given the limited access to MSID level data proposed within the BSC P354 solution, Suppliers will have limited opportunity to verify the accuracy of the data and identify significant errors impacting their portfolio. SSE therefore favours accuracy over speed, within reasonable boundaries (i.e. should not take a Year!). Basing submissions on backing data therefore takes priority for SSE.
6	What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?		SSE agree with the Workgroup conclusion that this would not be proportionate.
7	Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?		SSE have set out our views in full within our response to BSC P354 Assessment Consultation. In summary:- 1. SSE believe that a more efficient end to end solution may be achievable by providing MSID level data to Suppliers; 2. However we recognise the fear of competition concerns raised by service providers and associated actors; 3. Therefore the fear/risk needs to be mitigated through either:- a. appropriate monitoring of behaviour; b. or limiting access to data through opt-out or opt-in provisions that allows each service provider to exercise a choice

No	Question	Response (Y/N)	Rationale
8	Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?		SSE recognise that non-BM service providers and associated actors in the market believe that reporting of highly granular data to Suppliers may give rise to competition concerns, as they believe that their competitive advantage is in identifying and putting to work a portfolio of plant and apparatus that can provide a useful balancing service to GBSO. Theoretically therefore a risk may arise that Suppliers attempt to foreclose the market through some form of predatory pricing. In practice, it seems highly improbable that Suppliers would risk this behaviour given wider Competition Law requirements and potential remedies available to Regulatory Authorities. Limiting reporting of such data therefore is one means of addressing the competitive risk identified, but at a cost as it may result in a less efficient end to end process and customer experience. There may be other means of addressing the issue through effective monitoring and reporting of behaviour, giving a sharper focus on potential Competition Law breaches.
9	What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?		System changes will depend on the complexity of the defined interface within the detailed specification, whilst recognising that a balance between simplicity and security of the transfer of data must be maintained. If simple architecture is utilised, with easily integrated interfaces, then systems costs should be minimal.
10	Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?		SSE would like to see an early implementation of the change identified and believe that April 2019 is the more appropriate target date. This is because the changes aim to address an issue that is currently distorting the market.
11	Do you agree with the proposed changes to the ABSVD methodology?		We have not identified any issues at this point.
12	Do you have any other comments?		No