

---

Alastair Owen  
Senior Manager SO/DSO  
Ofgem  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU

National Grid ESO  
Faraday House  
Gallows Hill  
Warwick  
CV34 6DA

---

David Wildash  
Market Services - Senior Manager

[www.nationalgrideso.com](http://www.nationalgrideso.com)

3 February 2021

### Short Term Operation Reserve (STOR) Terms and Conditions

Dear Alastair,

In accordance with Article 18 of COMMISSION REGULATION (EU) 2017/2195 of 23 November 2017 (as applicable and as amended in Great Britain) establishing a guideline on electricity balancing (EBGL), National Grid ESO is required to propose terms and conditions related to balancing.

This letter confirms terms and conditions for the Day Ahead procurement of STOR, and how they comply with Article 18 of EBGL, for which we request approval from Ofgem. Detailed references to the relevant service terms for STOR have been included in Table 1, Annex 1 of this letter.

If approved, these STOR terms will then form part of the Article 18 terms and conditions as envisaged in CUSC section 4, paragraph 4.2B.5 and as required in that paragraph any subsequent amendments to the Article 18 terms within the STOR terms will follow an amendment process which is compliant with the EBGL amendment process requirements.

Day Ahead procurement of STOR has been developed in order to address the requirements of the CEP Article 6(9) compliance with which entails NGESO procuring the STOR product at day-ahead. The Day Ahead procurement of STOR also aligns with our ambition to move the procurement of all balancing services closer to real-time.

In accordance with EBGL, a consultation on the Article 18 STOR terms was undertaken from 17 December 2020 to the 21 January 2021. During this period NGESO engaged with industry via a podcast and webinar with Q&A session. Following the EBGL consultation for STOR, we have made only minor changes to the relevant STOR service terms reflecting the responses we received which in our view improve the terms. These changes are covered in Table 2 in Annex 2. We have also made some typographical and housekeeping updates. In total, we received 9 consultation responses, and have responded to each of these. Table 2 in Annex 2 of this letter includes these responses, and NGESO's reply to the points raised.

If you have any queries regarding this proposal, please contact [steve.dugmore@nationalgrideso.com](mailto:steve.dugmore@nationalgrideso.com).

Yours sincerely

David Wildash  
Market Services - Senior Manager

## Annex 1

### Amendment of EBGL Article 18 mapping for STOR Terms and Conditions requirements

*This document does not constitute compliance with Article 18 of the EBGL. Its purpose is to demonstrate where new Terms and Conditions for STOR in the scope of EBGL Article 18 can be found within the new STOR documentation. Where there is any conflict between this document and the STOR documentation, the STOR documentation shall take precedence.*

**Table 1**

Below is the mapping of EBGL Article 18 against the STOR documentation.

<b>EBGL Article</b>	<b>Subject Matter</b>	<b>STOR (Day Ahead) documentation</b>
<a href="#">Article 18.4a</a>	Define reasonable and justified requirements for the provision of balancing services	STOR (Day Ahead) Service Terms – paragraphs 4, 5, 6, 7, 8, 9, 10, 11 and 19
<a href="#">Article 18.5a</a>	Rules for the qualification process to become a balancing service provider pursuant to Article 16	STOR (Day Ahead) Guidance Document – Registration/Prequalification for STOR, Active Network Management Zones STOR (Day Ahead) Auction Rules - paragraph 4
<a href="#">Article 18.5b</a>	Rules, requirements and timescales for the procurement and transfer of balancing capacity pursuant to Articles 32, 33 and 34	STOR (Day Ahead) Guidance Document – Daily Auction STOR (Day Ahead) Auction Rules - paragraphs 5, 7, 8 and 9 STOR (Day Ahead) Assessment Principles) STOR (Day Ahead) Service Terms – paragraph 20 STOR (Day Ahead) General Terms and Conditions – paragraph 7
<a href="#">Article 18.5c</a>	Rules and conditions for the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to become a balancing service provider;	STOR (Day Ahead) Guidance Document - Registration/Prequalification for STOR
<a href="#">Article 18.5d</a>	Requirements on data and information to be delivered to the connecting TSO and, where relevant, to the connecting DSO during the prequalification process and operation of the balancing market	STOR (Day Ahead) Guidance Document - Registration/Prequalification for STOR, Daily Auctions, Availability Declarations STOR (Day Ahead) Auction Rules – paragraphs 4, 5 and 11.3 STOR (Day Ahead) Service Terms – paragraph 19
<a href="#">Article 18.5f</a>	Requirements on data and information to be delivered to the connecting TSO and, where relevant, to the connecting DSO to evaluate the provisions of balancing services pursuant to Article 154(1), Article 154(8), Article 158(1)(e), Article 158(4)(b), Article 161(1)(f) and Article 161(4)(b) of Regulation (EU) 2017/1485;	STOR (Day Ahead) Service Terms – paragraph 19
<a href="#">Article 18.5i</a>	Rules for the settlement of balancing service providers defined pursuant to Chapters 2 and 5 of Title V	STOR (Day Ahead) Guidance Document – Clearing Price. Settlement STOR (Day Ahead) Assessment Principles STOR (Day Ahead) Service Terms – paragraphs 10, 11, 12 and Schedules 1 and 2 STOR (Day Ahead) General Terms and Conditions – paragraph 4
<a href="#">Article 18.5j</a>	Maximum period for the finalisation of the settlement of balancing energy with a balancing service provider in accordance with Article 45, for any given imbalance period	STOR (Day Ahead) General Terms and Conditions – paragraph 4
<a href="#">Article 18.5k</a>	Consequences in the case of non-compliance with the terms and conditions applicable to balancing service providers	STOR (Day Ahead) Auction Rules – paragraph 4 STOR (Day Ahead) Service Terms – paragraphs 9 and 18

## Annex 2

### EBGL Article 18 Short Term Operating Reserve Terms and Conditions Consultation Response Summary

**Table 2**

Summary of responses and key themes from the consultation, including NGESO responses and comments. For responses provided on the official template we have only included the specific questions the providers responded to, all other comments where no response was given we have assumed 'no comment' from the provider. Where providers have submitted detailed responses, NGESO has summarised the response into key themes.

	<b>Respondent</b>	<b>Response or Key Theme</b>	<b>NGESO Comments</b>
1	Gridbeyond	<p><b><i>Annex 1: Do you have any comments on the highlighted mapping for the STOR service?</i></b></p> <p>Since day ahead STOR is temporary programme and will be replaced by the new reserve products, you need to make sure the transfer of assets from day ahead STOR to the new reserve products, require minimum technical changes.</p>	Thanks for the feedback. This has been noted and passed across to the Reserve Reform team for consideration as part of their work.
2	Gridbeyond	<p><b><i>Do you have any other comments on the STOR proposal?</i></b></p> <p>There needs to be a way to limit the number of dispatches in a day/month and also add recovery time for assets. This affects the volume that will be available to STOR, as it is very risky for most of carbon-free demand assets to participate not knowing how many dispatches they can expect in a day.</p>	Within the prequalification stage, each STOR Provider must confirm a number of base technical parameters for each STOR unit, as per the STOR Data Template. These include the maximum and minimum utilisation period and the minimum recovery period. As the auctions are daily, a STOR Provider is able to manage any limit on utilisation over a longer period and bids into the auctions accordingly.
3	Flexitricity	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>From an operational perspective, the auction timescale (rolling D-8 auction) is functional, and we welcome the open data policy to publish the results on the data portal, giving the market visibility. It would be in all parties best interests if these results were published prior to 0915, allowing operators to trade on EPEX day ahead as an alternative, if a STOR contract is not secured.</p>	As stated in the Auction Rules, we will use reasonable endeavours to publish full results (Market Information) on our website by 10.00 hours. We fully acknowledge getting the results published as early as possible will be beneficial to all providers, and we will publish full results on our Data Portal at earliest possible time each day, once they are available. We anticipate that this will be before 8am, or earlier if possible, and we would see the 10am time as a worst case, whilst we fully embed the new daily auction.
4	Flexitricity	<p><b><i>Do you have any comments on the Participation Guidance Document?</i></b></p> <p>Notwithstanding that the issue does not affect Flexitricity as PAS/ASDP is in place, the timelines for the prequalification registration process are very long</p>	<p>The timelines for prequalification as set out in System Operation Guideline (SOGL) are the maximum time it should take and we recognise that neither ourselves nor providers want it to take as long.</p> <p>The initial 8 weeks are for the validation and approval of the STOR registration forms and data ( Form B and STOR data template) and for a new applicant we would only expect this to take a matter of weeks.</p> <p>The focus of the remaining 3 months is the completion of any necessary downstream systems, so the new STOR unit/s are visible to our control room and settlement systems, etc. For</p>

			any provider that requires a new ASDP/PAS communication system, they can begin development of this prior to submitting their application so may not need the full 3 months. Additionally, if a provider already has the necessary systems in place and only wants to prequalify an additional unit, or where a provider wishes to make changes to an existing unit that has previously prequalified, then the full 3 months would not be necessary, and we would expect a much shorter timescale, in the order of 10 working days. Where the change has no system impacts, removal of assets or a change to an aggregated asset, then a much shorter timescale would be needed to complete.
5	Flexitricity	<p><b>Do you have any comments on the Participation Guidance Document?</b></p> <p>In addition, there is an unspecified time for adding an existing asset where systems are already in place. Flexitricity would like to see a definitive service level on this</p>	See question 4 response. Where the change is just to the Data Template with minimal or no impact on downstream systems, then the 10 working days apply.
6	Flexitricity	<p><b>Do you have any comments on the Participation Guidance Document?</b></p> <p>Ten working days for changes to the Data Template seems excessive.</p>	Again, please refer to question 4 response. Where the change is just to the Data Template with minimal or no impact on downstream systems, then the 10 working days apply, but we would expect this to be completed more quickly and this is something that your Account Manager will discuss with you to manage expectations.
7	Flexitricity	<p><b>Do you have any comments on the STOR Data Template?</b></p> <p>On STOR Unit form, the guidance notes suggest that each unit is a singular fuel type, as there is no option for "mixed" (there is "Others").</p>	In the STOR Data Template the pop-up guidance states that for aggregated or mixed fuel types the 'other' box should be selected. To make this explicitly clear the 'other' option has been updated to 'other/mixed'
8	Flexitricity	<p><b>Do you have any comments on the STOR Data Template?</b></p> <p>On Sub Asset form, asking for Nearest Node is a tall order without some insider knowledge</p>	Thank you for letting us know and we can understand that may be the case. This field is optional and not mandatory (this has now been made clear on the Data Template). If Providers know this information it can be included but it is not a problem if they don't. Where possible ESO will provide this information during the onboarding process.
9	Drax	<p><b>Do you have any comments on the STOR General Terms &amp; Conditions?</b></p> <p>With regards to clause 5.1.2, the clause as drafted seems to attach the mitigation obligation to third party property damage only. Is this intentional, or should the mitigation also extend to 5.1.1 (damage to a Party's property)?</p>	We have updated para 5.1 of the GTCs to make clear that the proviso applies to both 5.1.1 and 5.1.2 and not just 5.1.2.
10	Drax	<p><b>Do you have any comments on the STOR Service Terms?</b></p> <p>With regards to clause 4.12, we do not see why there should be an obligation in the Service Terms for STOR providers to use all reasonable endeavours to provide this information by this time. The Participation</p>	Providing the declaration/redeclaration by 11:00 hours is beneficial to our control room for daily scheduling purposes, but we do agree this should not sit within the STOR Service Terms (4.12) and we have deleted this clause. We will retain the existing statement within the Availability Declarations section of the Guidance Document.

		<p>Guidance suggests this is something the ESO would like to have by this time but is not essential. Whilst it is expressly stated that a failure to provide the data by this time will not constitute an Event of Default, it does not necessarily follow that NGESO will have no cause of action for a failure by a STOR provider to comply. Therefore, we suggest that this clause is removed. There is no need to add contractual clauses for something the ESO seems to want on a voluntary basis.</p>	
11	Drax	<p><b><i>Do you have any comments on the STOR Glossary of Terms and Interpretation?</i></b></p> <p>With regards to the term “Insolvency Event”, in respect of itself only, NGESO has increased the threshold relating to an inability of a party to pay its debts under the Insolvency Act provisions from the statutory £750, to £250,000. We agree the change is sensible but believe this should be reciprocal so that it applies to Service Providers’ insolvency also.</p> <p>With regards to the terms “IPR Claim” and “Malicious Software”, there is a paragraph reference omitted in each of the above definitions.</p> <p>With regards to the term “STOR SCTs”, these STOR Standard Contract Terms (Issue #12) don’t form part of the STOR Procurement Documents and are also omitted from the order of priority of Related Balancing Services Documents. It is not clear what relevance or status they have in respect of this (or other STOR) procurement. Could this please be clarified.</p>	<p>With respect to the definition of Insolvency Event in the Glossary, we note the comment that the increase in the statutory £750 to £250,000 (inability to pay debts threshold) applies only to NGESO, and we agree to make this reciprocal. We will also update the Glossary to include the applicable paragraph numbers in the defined terms for Malicious Software and IPR Claim. We agree with the comment that the STOR SCTs do not form a part of these STOR Day Ahead procurement documents, but have retained the definition in the Glossary because of the definition of Long Term STOR and paragraph 1.3 of the Auction Rules which clarify that these new procurement documents do not prejudice the ongoing provision of, and payment for, STOR from/to providers with long term STOR Contracts in place under the STOR SCTs.</p>
12	Sembcorp	<p><b><i>Do you have any comments on the Participation Guidance Document?</i></b></p> <p>First, we would raise the question around whether it would be appropriate to maintain the 3MW minimum unit size. Has the ESO considered lowering the minimum unit size to 1MW?</p>	<p>As communicated throughout the development of the new day ahead service, NGESO have looked to make the minimum changes necessary to the existing service, in order to procure at day ahead. This is largely due to system constraints, but also the timescales to implement any more wholesale changes to the existing service. Any wider changes will be considered through Reserve Reform.</p>
13	Sembcorp	<p><b><i>Do you have any comments on the Participation Guidance Document?</i></b></p> <p>With regards to auction windows, our concerns are around the fact that their closure at D-1 at 5am does not align with other products and with trade markets, which operate to the EFA day. We would suggest as a potential solution to allow providers to only tender for one of the individual committed STOR windows each day, rather than having to commit for both.</p>	<p>NGESO will look again at the 5am closing time for each daily auction post go-live implementation. We will carry out a detailed review to include the latest time possible that our systems need visibility of awarded contracts and then engage with industry around the timing. We will seek feedback from all providers. After each auction, we will be publishing results at the very earliest possible time each day, which we anticipate could be as early as 8am.</p> <p>With regards to tendering for only one Committed Window. The requirement to bid for all Committed Windows in a STOR Service Day is consistent with the existing Firm STOR service. Any wider</p>



			changes to the STOR Committed Windows and how these can be tendered will be considered through Reserve Reform.
14	Sembcorp	<p><b><i>Do you have any comments on the Participation Guidance Document?</i></b></p> <p>With regards to STOR windows, we believe that the existing legacy windows would not be suitable with the new day-ahead procurement of STOR. Instead, we would support the product moving to EFA blocks or to HH procurement to ensure maximum flexibility, in line with the more dynamic characteristics of the service. This would allow better integration with other products.</p>	<p>NGESO are looking to make the minimum changes to the existing service to accommodate day-ahead procurement. Any wider changes will be considered through Reserve Reform.</p> <p>For STOR windows specifically, any change from the existing format would require significant change to our existing end to end systems within the control room and for settlement purposes.</p>
15	Sembcorp	<p><b><i>Do you have any comments on the Participation Guidance Document?</i></b></p> <p>Furthermore, we believe that the continuation of Pre-Window ramping would hamper the possibility of providers to integrate STOR with other services. For instance, tendering into STOR and FR concurrently would require a gap to allow for STOR ramping prior to the start of the committed window. We therefore suggest that the Pre-Window Instruction Period and Post-Window Ramping Period should be removed so the product can only be utilised within the set windows.</p>	<p>NGESO have looked to make the minimum changes necessary to the existing service, in order to procure at day ahead.</p> <p>The ramping definitions are fundamental to the design of the service, the assessment of availability and the application of events of default. Consequently, they are fundamental to payment computations, and information provision to the market. Any such change would require significant contract and system changes, which are not possible in the timescales.</p> <p>The Pre and Post window ramping periods allow for the full contracted MW to be delivered throughout the Committed Window and are paid for at the same utilisation rate as the Window to which they are associated.</p> <p>We will review this requirement through reserve reform.</p>
16	Sembcorp	<p><b><i>Do you have any comments on the STOR Auction Rules?</i></b></p> <p>We do not believe that closing the STOR auction at 5am on D-1 is helpful towards the objective of procuring the STOR volume at day ahead. This means that providers would need to tender for STOR ahead of any trade day-ahead auctions. Our concern is that the new procurement is not a day-ahead process but, rather, a two day-ahead process.</p>	<p>See question 13 response.</p> <p>NGESO believe this is in line with the requirements of Day Ahead procurement within CEP 6(9) as Providers are able to change their prices and MWs up to gate closure at 5am the day before it will be contracted and then used at the STOR delivery day starting at 5am. In order to ensure there is enough time to run the assessments process, update NGESO systems, publish results and give providers enough time to make necessary changes, the tender window must close at this time. The requirements of the Clean Energy Package are clear "Contracts for balancing capacity shall not be concluded more than one day before the provision of the balancing capacity" and NGESO believe the process to be in line with this requirement as the assessment and contract award is done less than 24hours in advance of the STOR delivery day.</p>
17	Sembcorp	<p><b><i>Do you have any comments on the STOR Auction Rules?</i></b></p> <p>We would propose the STOR auction closure time is pushed back to at least 10am to allow better integration into the</p>	<p>See question 13 and 15 response.</p> <p>NGESO believe this is in line with the requirements of Day Ahead procurement within CEP 6(9) as Providers are able to change their prices and MWs up to gate closure at 5am the day before it will be contracted and then used at the STOR delivery day starting at 5am. In order to ensure there is enough time to run the</p>

		various day-ahead trade markets and other balancing services.	assessments progress, update NGENSO systems, publish results and give providers enough time to make necessary changes, the tender window must close at this time. The requirements of the Clean Energy Package are clear "Contracts for balancing capacity shall not be concluded more than one day before the provision of the balancing capacity" and NGENSO believe the process to be in line with this requirement as the assessment and contract award is done less than 24hours in advance of the STOR delivery day.
18	Sembcorp	<p><b><i>Do you have any comments on the STOR Auction Rules?</i></b></p> <p>We are still assessing how the daily process will integrate with the PAS system of declarations but would raise our concern for the need of day-ahead declaration changes on a commercial basis at weekend where many providers do not have commercial cover. Historically the STOR market has been compatible with limited staff resources typical of smaller parties, and we would raise our concern about the burden of weekend declarations upon them</p>	Declarations can be submitted ahead of time (either before, during or after auction/STOR contract award) and provided that the MW value in a service provider's STOR contract and availability declaration match, then no update would be required. Our PAS team have a webinar planned for February 10 <sup>th</sup> 4-5pm to talk through how this will work and the other minor process changes required.
19	Sembcorp	<p><b><i>Do you have any comments on the STOR Auction Rules?</i></b></p> <p>We would also highlight the occurrence of PAS outages and would ask the ESO to clarify how availability of non-BM STOR units will be treated during these periods.</p>	<p>The Availability payment is based on availability declarations made via PAS, or via Fax where PAS has an outage.</p> <p>If the unit is available to provide the service and has declared itself available to NGENSO via PAS or Fax, then it will be paid for the service. This applies even if PAS is unable to dispatch the service because it has suffered an outage.</p>
20	Sembcorp	<p><b><i>Do you have any comments on the STOR Assessment Principles?</i></b></p> <p>We believe, when the ESO publishes the buy curve, it would be helpful if all information related to the price curve, alongside any volume concerns would be published as well.</p>	The buy curve will be published following the auction. This will contain the volume and price we are willing to pay for that volume.
21	Sembcorp	<p><b><i>Do you have any comments on the STOR Assessment Principles?</i></b></p> <p>We would also ask that the ESO's mechanism for calculating the price of alternative actions is back tested to check for accuracy for future auction rounds.</p>	The price curve development methodology will be tested. We will ensure that at all times the services procured cost less than the alternative actions against which they are being assessed
22	Sembcorp	<p><b><i>Do you have any comments on the STOR Assessment Principles?</i></b></p> <p>We would also highlight the issue that assessing all STOR tenders against a single flat 20-minute response requirement means that faster responding units are disadvantaged against its competition, despite offering superior technical characteristics. As an example: an efficient 5-minute ramping gas peaker or an instantaneously responding battery STOR provider would be rewarded the same as a legacy OCGT or diesel asset. We do not consider this appropriate and would desire</p>	In the auction when securing balancing capacity all units who can respond within the 20-minute timescale for STOR will be treated the same. This allows a large group of providers who can all meet the minimum requirement to be assessed on the same basis and encourages competition in this market. In the event that balancing energy is required the control room will make the decision on who to dispatch on the basis of price and speed across all units that can deliver whether they have a STOR contract or not

		the market mechanism to value the increased flexibility and superior technical characteristics providers are capable of.	
23	Sembcorp	<p><b><i>Do you have any comments on the STOR Assessment Principles?</i></b></p> <p>As STOR is required to move to a pay-as-clear mechanism, we understand the difficulty in addressing this point, but we would propose a form of sliding scale derating so that, for example, if a unit requires more than 10 minutes to ramp up, the clearing price should be reduced by (2)% for every extra minute over the threshold.</p>	Our design principles are to be simple, transparent and to meet operational needs. This suggestion introduces complexity which will erode the transparency of the decision. Our principles are intended to maximise competition to deliver the best outcome for consumers. A pay as clear mechanism would not allow a unit to be paid less than they stated in their bid. In the event that the clearing price was set by a unit that was slower than 10mins then the proposal here would cause either a unit to be paid less than their bid price or would cause different clearing prices to be used for different asset speeds. This is not in line with our ambition of simplification and transparency as the assessment decision would be more complex than we are proposing.
24	Sembcorp	<p><b><i>Do you have any other comments on the STOR proposal?</i></b></p> <p>We hold some concerns around the fact that the ESO has introduced the option to change STOR windows within year, and how this would impact legacy Long-Term STOR contracts. If, for instance, the ESO reduced the number of hours of availability, this would have a negative impact on these assets.</p> <p>In this regard, we would ask the ESO to provide more information about the notice period for such within-year window changes and whether any consultation process would be put in place (as historically, STOR window changes are proposed in the context of the annual product review process, which consists of a public consultation).</p>	The STOR Windows (committed and optional) are defined in the Glossary by reference to the Guidance Document, and we will include in the Guidance Document a statement that NGENSO will seek to publish the STOR Windows for a STOR Year on an annual basis by no later than the preceding 31 December. This aligns with the previous custom and practice under the STOR SCTs. The existing STOR SCT, which will remain in place for the Long-Term contracts, already protects for window changes (compensation mechanism). Where any changes are necessary to ensure the SCT and the new Day Ahead terms are consistent, we will make changes to the SCT to ensure the existing Long-Term providers are unaffected by any change the service overall (e.g. the removal of the tender events). We intend to engage all Long-Term STOR Providers during February, to commence this process.
25	Engie	<p><b><i>Do you have any comments on the Participation Guidance Document?</i></b></p> <p>It must be ensured that there is sufficient time for participants to complete the registration process ahead of the first auction. With the auctions planned to Go-Live in April, the timeline for the prequalification and registration process is very tight. Support must be offered to facilitate a smooth process.</p>	Thank you for raising this. NGENSO has already started to reach out to the providers prequalified under the existing service. We will pre-populate the STOR Data Template with the information we already have and ask Providers to check and validate this, as well as to provide us with some further information such as email address for Auction notification and Contract award, etc. We will work closely with all Providers to onboard them and complete prequalification as early as possible and this activity will progress during February and early March.
26	Engie	<p><b><i>Do you have any comments on the STOR Service Terms?</i></b></p> <p>The previous STOR arrangements worked well and many new providers have been brought into the market. It was efficient and we should be careful not to lose the flexibility of the previous arrangements. It was custom and practice to manage any specific issues through the framework</p>	It is the ESO's intention that the new day ahead STOR service should be as simple and transparent as possible and to minimise as much as possible any flexibility that the old STOR Framework Agreement accommodated. However, we do recognise that there may be some situations where a provider wishes to discuss any such flexibility and we would expect providers to



		agreements and this should be considered as part of this process. This will allow for the greatest level of participation at the same time as delivering the key purpose of the change (i.e. consistency with the EBGL).	be engaging with NGESO directly, via their Account Manager, for further discussion.
27	Engie	<p><b>Do you have any comments on the STOR Service Terms?</b></p> <p>Once the maximum utilisation period has expired, it should be incorporated into the service terms that the STOR provider may MEL out the STOR unit without defaulting on the contract.</p>	The Maximum Utilisation Period (MUP) is a base parameter within the STOR Data Template and is required as part of prequalification and captured within our control room systems. No instruction would be issued beyond the maximum utilisation period and any BOA will end in line with when MUP is reached, so providers should not change their parameters.
28	Engie	<p><b>Do you have any comments on the STOR Auction Rules?</b></p> <p>Given the auction will run between 05:00 and 06:00 and providers will be notified of the outcome by 06:00, the 10:00 deadline for ESO to publish market information seems generous. It is necessary to have this information available before the EPEX and Nordpool auction submissions. The results should be published by 08:30.</p>	As stated in the Action Rules, we will use reasonable endeavours to publish full results (Market Information) on our website by 10.00 hours. We fully acknowledge getting the results published as early as possible will be beneficial to all providers, and we will publish full results on our Data Portal at earliest possible time each day, once they are available. We anticipate that this will be before 8am, or earlier if possible, and we would see the 10am time as a worst case, whilst we fully embed the new daily auction.
29	Engie	<p><b>Do you have any other comments on the STOR proposal?</b></p> <p>There must be some concern that the inability to fix the utilisation price will result in the ESO procuring reserve that prices uncompetitively in the BM. Therefore, there must be a process to monitor whether the ESO is getting value for money or whether it would be better for the ESO to rely more on the BM delivering reserve.</p>	The inability to fix the utilisation price in the contract allows the market to understand the value of Short Term Operating Reserve. We will monitor the cost of securing balancing capacity against the BM alternative and will only procure where we deem it to be economic.
30	Uniper	<p><b>Do you have any comments on the Participation Guidance Document?</b></p> <p>Daily auction close is at 05:00 on D-1</p> <p>We strongly prefer that this time changes to 12:00 on D-1. As it stands we would have to submit before all other day ahead markets. Practically we would have to assess STOR for the delivery period at D-2.</p> <p>Our understanding the deadline is to allow time to assess the tenders, however;</p> <ol style="list-style-type: none"> <li>1. Is anyone going to be assessing the tenders at 5.am?</li> <li>2. As the assessment is only on price and volume surely this assessment wouldn't take long to run?</li> </ol>	As stated in the Auction Rules, we will use reasonable endeavours to publish full results (Market Information) on our website by 10.00 hours. We fully acknowledge getting the results published as early as possible will be beneficial to all providers, and we will publish full results on our Data Portal at earliest possible time each day, once they are available. We anticipate that this will be before 8am, or earlier if possible, and we would see the 10am time as a worst case, whilst we fully embed the new daily auction.
31	Uniper	<p><b>Do you have any comments on the STOR Data Template?</b></p> <p>It could be made more clear on the template as whether all sections need to be completed depending on type of provider. For example, if a unit is a BMU are all sections relevant? MPAN? DNO?</p>	Thanks for highlighting this. The Data Template has been updated to make this clearer.

32	Uniper	<p><b><i>Do you have any other comments on the STOR proposal?</i></b></p> <p>We would request that there is some training on use of the Salesforce platform to be used for the STOR auction. Not all providers are familiar with it.</p>	<p>Thank you for the feedback and yes this is something we view as very important and a priority for us. We are planning a Show &amp; Tell webinar on the Salesforce platform for mid-February. This will be recorded and published on the website. We are also developing bitesize training videos on the key elements of the Salesforce platform that Providers will need to utilise. These will be made available from mid-late February onwards. As soon as training material is available it will be published on the website and shared with Providers. Where changes to the platform are made, updated training material will be produced and shared with Providers. We are also planning to run a Mock Auction around mid-March. Further detail will be shared with industry as it becomes available on all of these points.</p>
33	Limejump	<p><b><i>Do you have any other comments on the STOR proposal?</i></b></p> <p>We do not have any specific comments on the Day Ahead STOR procurement.</p> <p>More generally, will the Reserve Scarcity Price Mechanism (RSPM) be retired once the remaining legacy STOR contracts finish? We assume the RSPM will not be needed for volume procured at Day Ahead where utilisation prices are set within day.</p> <p>We understand that a new Issues Group, number 92, has been set up to review the RSPM.</p>	<p>The future of Reserve Scarcity Price Mechanism (RSPM) is expected to be decided by the Issue 92 group in the next few months - their first meeting is week commencing 1st February</p>
34	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>With NG ESO rolling out new balancing services, there are an increasing number of different platforms (and logins) for our team to use when participating in the Balancing Services. NG ESO should focus on ensuring there is one standard portal or system used for all auctions/procurement.</p> <p>For example, why is Salesforce proposed rather than COUPA or EPEX?</p>	<p>Article 6.9 of the Clean Energy Package moves our procurement to Day Ahead, and day is defined as calendar day rather than Business Day. The impact of this means any solution must be fully automated as well as able to meet other key functional and non-functional requirements. During the course of the impact assessment and solution options Salesforce was deemed the strategic choice for STOR Day Ahead particularly regarding deliverability aspects. This feedback has also been shared with NGENSO Reserve Reform project.</p>
35	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>With regards to bid assessments, with few differentiators other than price, we are concerned that for bids with the same price, how will NG ESO differentiate between bids? NG ESO should consider including other differentiators for auction participants bidding the same price. These should be transparent and quantified. For example, NG ESO could consider speed of response; previous performance; RUR/RDR; fuel type.</p>	<p>As covered in the assessment principles document, these will be differentiated using the curtailability ratio. This factor is only used where there are identically priced bids that cannot both/all be accepted. Here the bids that are most curtailable are accepted first at their full volume until the requirement is met or until there are no further units that are economic against the alternative actions. Please see the examples in the assessment principles document and updated text on the other factors used.</p>

36	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>“Last resort rank” is mentioned under ‘Assessment methodology’ paragraph on Assessment principle doc; but is not defined.</p>	<p>The assessment principles have been updated to provide clarity around the last resort rank.</p>
37	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>We welcome the introduction of an email of Daily award is a good idea and support that the email forms the contract. This will help administer and have audit trail for contracts</p>	
38	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>We believe that EODs (Events of Default) CRSP (failure to hit 90% in a half hour after expiry of response time) being changed to 95% is overly harsh for the first half hour of a run, especially as often its 1min in a HH period is due to an instruction point. This particular EoD should have a greater tolerance or only relate to a full HH period.</p>	<p>The BM CRSP EOD performance measurement looks at the Settlement Period in which the units response time expires and is only applied where the unit fails to deliver 95% of the contracted MW value. A service should be able to deliver 100% of the contracted MW within their response time, as specified in their STOR Data Template submission, but the measure allows for 5% tolerance. Consequently, the bid submitted through the auction must reflect the MW that the service provider can deliver against their registered response time in order to achieve the required performance level.</p> <p>The NBM CRSP EOD performance measurement looks at the minute in which the units response time expires and is only applied where the unit fails to deliver 95% of the contracted MW value. A service should be able to deliver 100% of the contracted MW within their response time, as specified in their STOR Data Template submission, but the measure allows for 5% tolerance. Consequently, the bid submitted through the auction must reflect the MW that the service provider can deliver against their registered response time in order to achieve the required performance level</p> <p>The only change that has been implemented is that the percentage requirement has increased from 90% to 95%. 95% was selected because it was reflective of the previous seasonal delivery requirement Under the existing STC #12 which was always set at 95%, and the desire to improve performance.</p>
39	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>We believe there should be greater flexibility in the bid submission. Having to bid for all windows per day, rather than being able to choose just morning or just afternoon may decrease cost-effectiveness of procurement.</p>	<p>This is largely due to system constraints (for example our settlement systems) and timescales to implement any more wholesale changes to the existing service. The STOR service has always required Providers to tender for all Committed Windows in a STOR Service Day. Any wider changes will be considered through reserve reform.</p>
40	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p>	

		We welcome the concept for a curtailable bid.	
41	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>We do not understand why NG ESO is reverting to STOR windows. This is an ideal opportunity to shape needs on a weekly basis, as required.</p>	This is largely due to system constraints and timescales to implement any more wholesale changes to the existing service. We are looking to make the minimum changes to the existing service to accommodate day-ahead procurement. Any wider changes will be considered through reserve reform. For STOR windows specifically, any change from the existing format would require significant change to our existing end to end systems within the control room and for settlement purposes.
42	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>We do not support the maximum recovery time being set to 1200mins (20 hours). This is far too long and does not provide value the NG ESO, especially if such an asset is marginally cheaper than a rejected asset that had a much quicker recovery time. Therefore, the maximum recovery time should be set at 120mins.</p>	STOR Units must be able to sustain the response for a minimum of 2 hours and have a recovery period of not more than 1200 minutes. ESO believes that, whilst a shorter period would be a benefit, it may hinder participation from some storage and demand side assets. We intend to commence the day ahead service with the existing 1200 minute recovery time and review this requirement at a later date, either before or during reserve reform.
43	Centrica	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>NG ESO should confirm how often Utilisation prices can be changed. It was restricted to EFA from 01st April 2020 but there is no clarity on the enduring arrangements. We believe that there should be as much flexibility on allowing the utilisation prices to be changed, ideally every half hour as per BM pricing.</p>	Providers are able to change their Energy Utilisation Price for each Committed Window, as set out in Clause 4.3. This price is then locked in for entire window.
44	RWE	<p><b><i>Do you agree with the approach taken for Short Term Operating Reserve day ahead procurement?</i></b></p> <p>Yes, we feel that day-ahead procurement of Reserve is appropriate and compliant with EBGL. It should enable the value of Reserve to be driven by real scarcity events (rather than simply declared on three arbitrary dates in the year) meaning for greater competition which ultimately is beneficial to the end consumer.</p>	
45	RWE	<p><b><i>Do you have any comments on the Participation Guidance Document?</i></b></p> <p>The STOR arrangements should be amongst other things transparent and non-discriminatory (Article 3 1 (a)). The STOR Service Terms as presented give wide ranging powers to the ESO to qualify or disqualify participants in a manner that may be considered arbitrary or discriminatory. These have the potential to introduce market distortions. In a particular case in point, we would invite the ESO to explain</p>	We have considered the comment that the ability for NGESO to disapply the prohibition on STOR participation by assets subject to DNO active network management schemes (as outlined in the Guidance Document) may be exercised in an arbitrary or discriminatory manner. We note that the current wording explains that NGESO will consider exercising this discretion on a case by case basis only where there is evidence to demonstrate that the asset has a very high forecasted availability. The wording has been amended to place a further requirement that the evidence must be reasonable.

		their proposed approach towards Active Network Management Zones.	
46	RWE	<p><b><i>Do you have any comments on the STOR General Terms &amp; Conditions?</i></b></p> <p>Clause 4.5 – when an amount calculated in the Monthly Statement, relating to any service, is judged to be incorrect; it should simply be adjusted for at the next available opportunity, not adjusted at the Company’s discretion.</p>	In response to the comment that para 4.5 of the GTCs places a discretion on NGESO to refuse to make a revision to a monthly statement where calculations or amounts falling due require to be corrected, NGESO will amend the provision so that NGESO will make the revision subject only to verification.
47	RWE	<p><b><i>Do you have any comments on the STOR Service Terms?</i></b></p> <p>Clause 4.3(c) suggests that a different Energy Utilisation price may be submitted for each STOR Window in a single STOR Day for Non-BM STOR Units, however it was stated in a recent webinar that a single Energy Utilisation price must be submitted for a single STOR Day – please clarify.</p>	Bids submitted for each auction must include a single Availability Price that covers all Committed Windows in the STOR Service Day. Providers are able to change their Energy Utilisation Price for each Committed Window, as set out in Clause 4.3.
48	RWE	<p><b><i>Do you have any comments on the STOR Glossary of Terms and Interpretation?</i></b></p> <p>Last Resort Rank would be a welcome addition to the set of defined terms.</p>	Further explanation on the last resort rank has been included in the Assessment Principles document.
49	RWE	<p><b><i>Do you have any comments on the STOR Assessment Principles?</i></b></p> <p>STOR Assessment Principles. In Example 5, please explain why the 55MW offered from Tender 7 may not be accepted here?</p>	In example 5, there are 3 units which have the same price and the same curtailability ratio and cannot all be accepted. In this example we will use the last resort rank to select which of the 3 units could be accepted.
50	RWE	<p><b><i>Do you have any comments on the STOR Assessment principles?</i></b></p> <p>The concept of Last Resort Rank requires better defining.</p>	Further explanation on the last resort rank has been included in the Assessment Principles document.