

CUSC Workgroup Consultation Response Proforma**CMP326 'Introducing a 'Turbine Availability Factor' for use in Frequency Response Capacity Calculation for Power Park Modules (PPMs)'**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **5pm on 22 February 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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For reference the Applicable CUSC (non-charging) Objectives are:

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- b) *Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- d) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

For reference, the Electricity Balancing Guideline (EBGL) Article 3 (Objectives and regulatory aspects) are:

1. *This Regulation aims at:*

- (a) *Fostering effective competition, non-discrimination and transparency in balancing markets;*
- (b) *enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- (c) *integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- (d) *contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*

- (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;
- (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;
- (g) facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

CMP326 - Standard Workgroup Consultation questions		
1	Do you believe that the CMP326 Original Proposal better facilitates the Applicable Objectives? Please provide justification for your responses?	<p>We believe CMP326 Original proposal has a positive effect on objective (a) as it ensures holding payments made by ESO in the MFR service are fully reflective of the response capability of the site. We therefore also believe the proposal is also positive in facilitating effective competition in the generation supply of this service when comparing with other technologies. However, we working with the assumption that holding payments and response capabilities of other technologies are also fully reflective as an outcome of real time monitoring by the ESO. It's important to ensure this is the case for avoiding any discrimination against variable renewables with Power Available signals (wind at this particular time of implementation).</p> <p>We believe the Proposal is neutral against objectives (c) and (d).</p>
2	Do you support the proposed implementation approach for CMP326?	Yes, we support the idea that the implementation should be subject to ESO's new ASB system as it would be non-efficient to implement CMP326 changes in advance.
3	Do you have any other comments?	No comments
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No comments.

Specific Workgroup Consultation Questions

5	Do you concur with the CMP326 Workgroup's initial conclusions as set out in the "Workgroup Considerations" section?	<p>On question: <i>Where ESO Control Room are not able to accept the Power Available Signal provided e.g. it may fail data validation, how does this impact the Holding Payment?</i></p> <p>We note there should be a way of letting providers know about their ongoing Power Available signal performance so that Providers can react in advance and be able to work on improving accuracy. A suitable regular reporting process should be in place in first instance from NGENSO until the industry is comfortable working and complying with the PA Best Practice Guidance before enabling an impact on the holding payments. Without such process, MFR providers won't be able to tune-in signals which could be quite heterogeneous as they will differ depending on the OEM supplier.</p> <p>This new process should also ensure that providers that want access to the real-time validation monitoring for PA performance signal from NGENSO could get them in time of the implementation of CMP326.</p>
6	Will the CMP326 Original Proposal impact on your business. If so, how?	<p>CMP326 will certainly have impacts on the business regarding operations and billing reconciliation procedures to ensure either the PA are working appropriately and accurately all times, and holding payments are correct and tie up with the actual performance of the windfarms at the time of the service provision. In order to do so, new signals will need to be integrated in the existent operational control room which will need produce new reporting to the Billing team so they have enough information for the reconciliation.</p> <p>The above activities will add to the existing complexity of the processes around Power Available monitoring which could be measured by the hours/rates expend in the implementation.</p>
7.	Do you agree that CMP326 does impact the European Electricity Balancing Guideline (EBGL) Article 18	Yes, we agree CMP326 has an impact on Article 18 of the EBGL.

	terms and conditions held within the CUSC?	
8.	Do you have any comments on the impact of CMP326 on the EBGL objectives under Article 3?	We believe CMP326 have positive impacts on objectives (e) and (g), as it's supposed to make procurement of balancing services fairer while improving processes around the participation of renewables into the balancing building up on its integration into NGENSO's systems. However, we are concerned CMP326 could unintentionally jeopardise renewables participation in the balancing services if the right operational procedures is not implemented along the proposal by NGENSO, such as the one described in question 5. We are still at a point that not having the right degree of interaction between NGENSO and service providers could have the undesired outcome of compromising renewables' participation in balancing services (not only limited to MFR) given a potential lack of confidence on the PA signal accuracy as a result of non-adequate procedures around its implementation.