

Code Administrator 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 6 May 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

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
Respondent name:	James Stone
Company name:	National Grid ESO
Email address:	James.stone@nationalgrideso.com
Phone number:	07971 002704

I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable CUSC (non-charging) Objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- 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;*
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- 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, (for consultation questions 4 & 5) the Electricity Balancing Guideline (EBGL) Article 3 Objectives and regulatory aspects are:

- 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.*

What is the EBGL?

The Electricity Balancing Guideline (EBGL) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBGL regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBGL aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBGL states that TSOs such as the ESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

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

Standard Code Administrator Consultation questions		
1	Do you believe that CMP326 Original proposal better facilitates the Applicable Objectives?	<p>Yes, we believe that the CMP326 Original Proposal better facilitates Applicable Objective (a). This is because the proposed change will ensure that the Holding Payments made by NGESO in respect of Frequency Response for Power Park Modules (PPM) will be fully reflective of the true response capability and level of service the site in fact provides.</p> <p>We consider that the solution is neutral in terms of satisfying ACO (b), ACO (c) and ACO (d).</p>

2	Do you support the proposed implementation approach?	Yes, we consider the proposed approach to delay implementation to December 2022 to be appropriate. This will allow adequate time to address any issues relating Power Available (PA) data (used within the cap calculation and detailed within the consultation) to be resolved pre system go live/implementation.
3	Do you have any other comments?	No
4	What are your views on the proposed change to the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions related to balancing?	We have nothing further to add, please refer to our Workgroup consultation response.
5	Do you have any comments as to whether or not the proposed changes concur with the EBGL Article 3 Objectives?	Please refer to the detail within question 8 of our Workgroup consultation response.