

The background of the slide is a scenic landscape featuring a mountain range under a bright sunburst breaking through a cloudy sky. In the foreground, a valley is filled with glowing, golden light trails that curve across the terrain, suggesting a path or a journey. The overall atmosphere is warm and inspiring.

Frequency response reform webinar

3 February 2023

The webinar will start shortly. Attendees' microphones are muted with cameras off to minimise disruption. Please post comments or questions using the Teams chat function.

Please note that the webinar will be recorded; the recording and the slides will be published online.

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Frequency response reform: Release 1 update

We are on track with most of the scoped changes to Release 1 (day-ahead static FFR and the merged and updated service terms), however we are experiencing challenges relating to implementing operational metering in our IT systems, and we are currently assessing how we best deliver this real-time functionality. Teams across the end-to-end process for frequency response services are currently analysing options, and any changes to IT delivery dates will form part of that work. If this work confirms that the Release is delayed, or if parts of the Release are delayed and industry stakeholders are impacted, we will communicate quickly.

We will be seeking to procure up to 200MW of DR from March and will be reducing our dynamic FFR (DFFR) requirements accordingly. Future volumes for DM and DR will continue to be published on the ESO data portal.

In the coming weeks, we intend to release an updated Frequency Response Transition report which will outline the final stage of our transition and associated milestones including DR and DM in line with reduction of DFFR requirements.

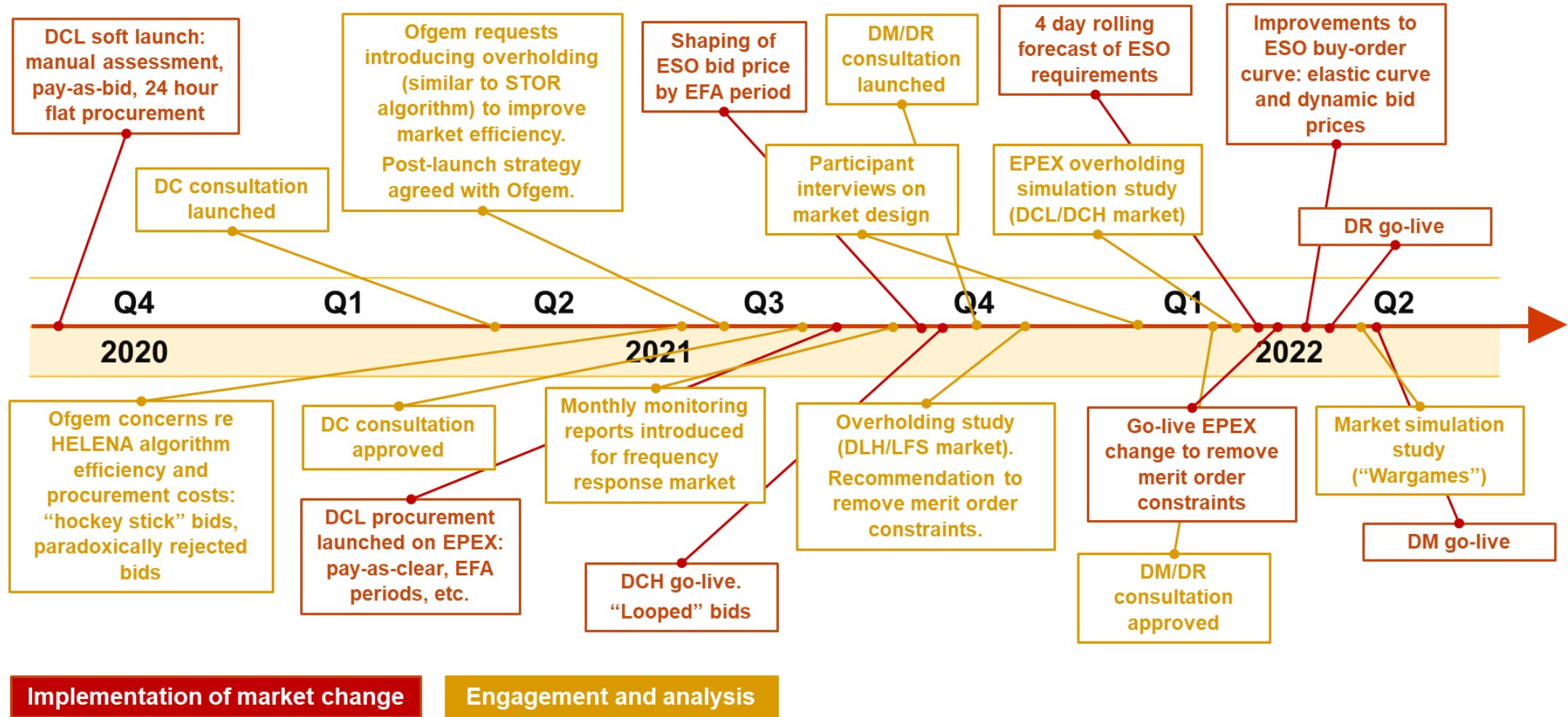
Our expectation is that we will cease procuring DFFR by October 2023, however this may be impacted by the IT deliverables described above. Further details on FFR and the move to the new dynamic services, including information on DM volumes can be found in our [Market Information Reports](#).

Whilst we welcome all questions, comments and feedback, we are unable to provide further information or comment on the timelines for Release 1 in today's session.

Overview

A landscape photograph of rolling hills at sunset. The foreground is a field of harvested crops, possibly corn, with a path leading towards a large, dark tree on the right. The hills are covered in golden-brown vegetation, and the sky is filled with soft, glowing clouds. The word "Overview" is written in white text on the left side of the image.

Reforming the frequency response market

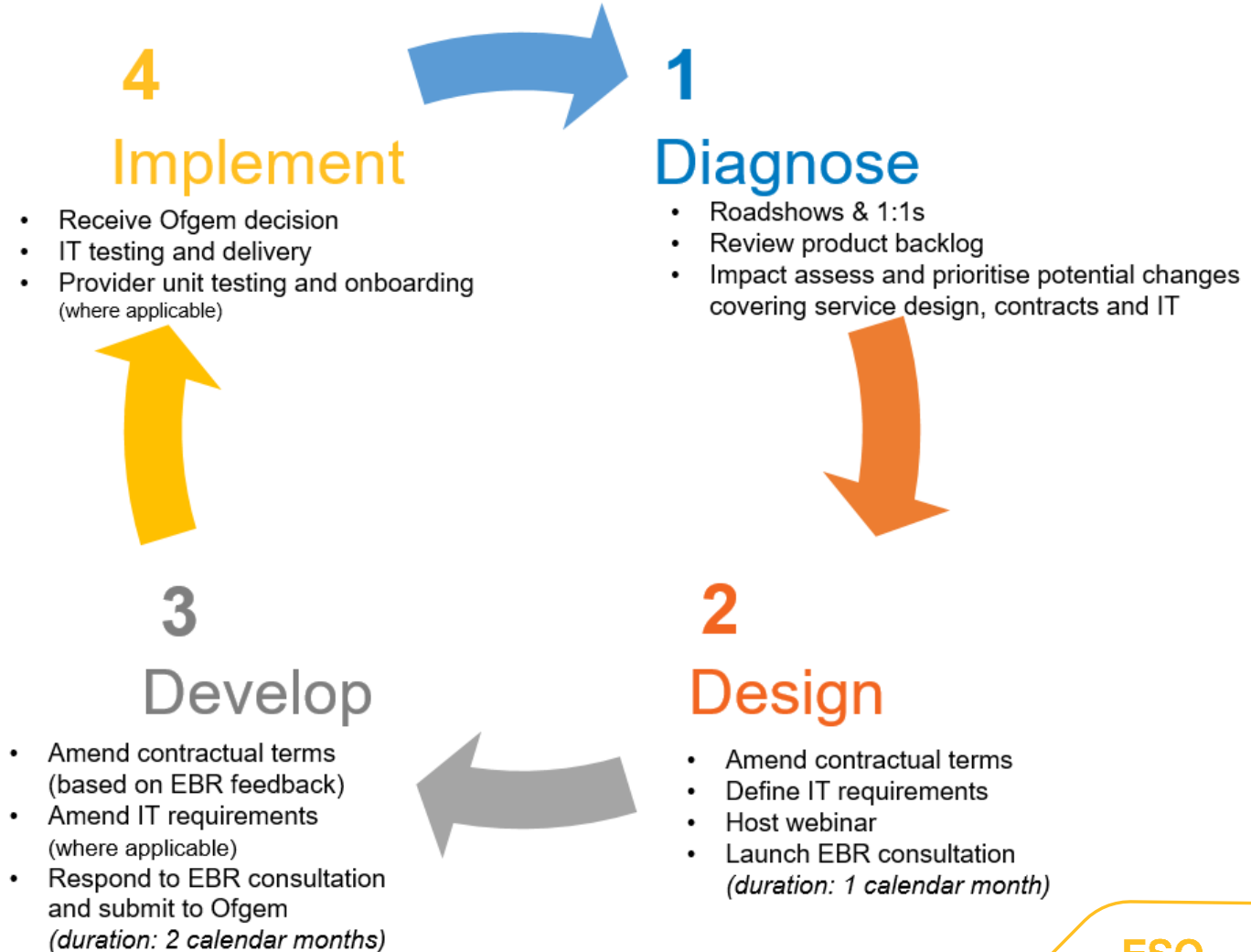


Moving to an annual development cycle

Repeatable and reliable.

Engagement activities will be held ahead of the consultation

Timelines for engagement, onboarding and systems development.

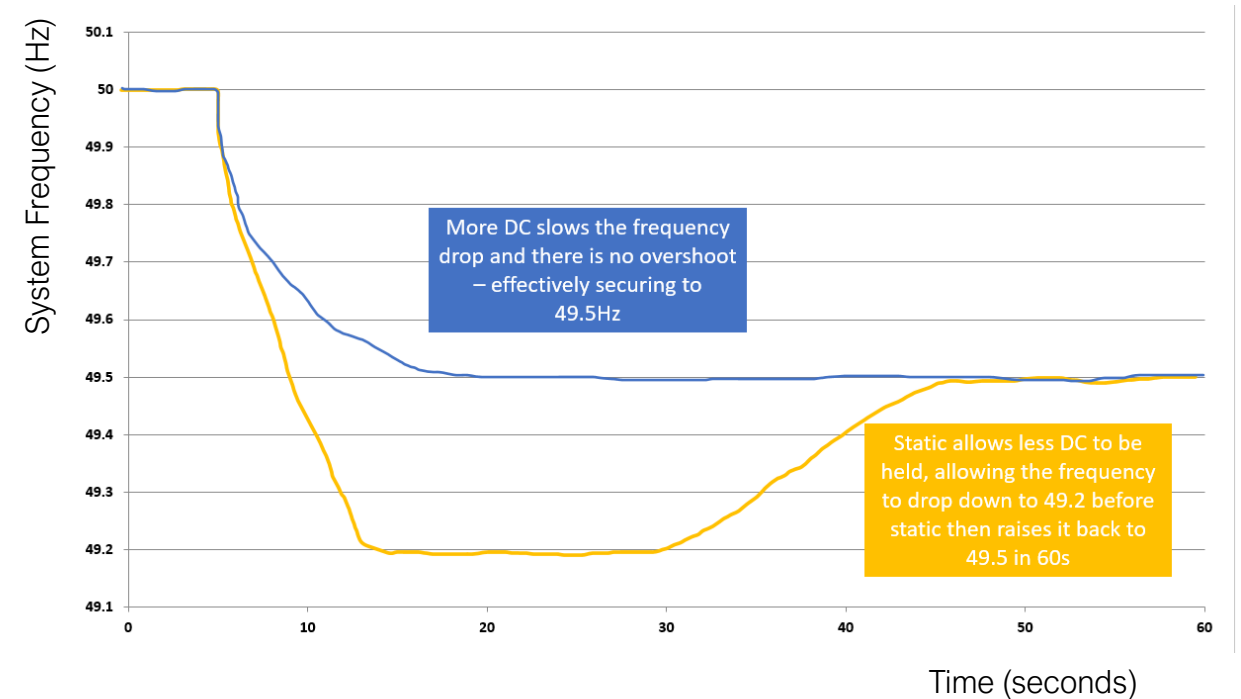


A landscape photograph showing rolling hills under a dramatic, cloudy sky at sunset. The foreground is a field of harvested crops, likely corn, with a path leading towards a large, dark tree on the right. The hills are covered in golden-brown vegetation. The sky is filled with soft, glowing clouds, and the sun is low on the horizon, creating a warm, golden light across the scene.

Static FFR

Static FFR: what is it?

- Static FFR is an **LF response service** activated on a frequency relay trigger.
- Response volume is delivered **within 30 seconds** following the frequency dropping below 49.7Hz.
- Currently procured through **monthly tenders**.
- Existing providers are a mixture of load response (demand turn down), diesel and biofuel.



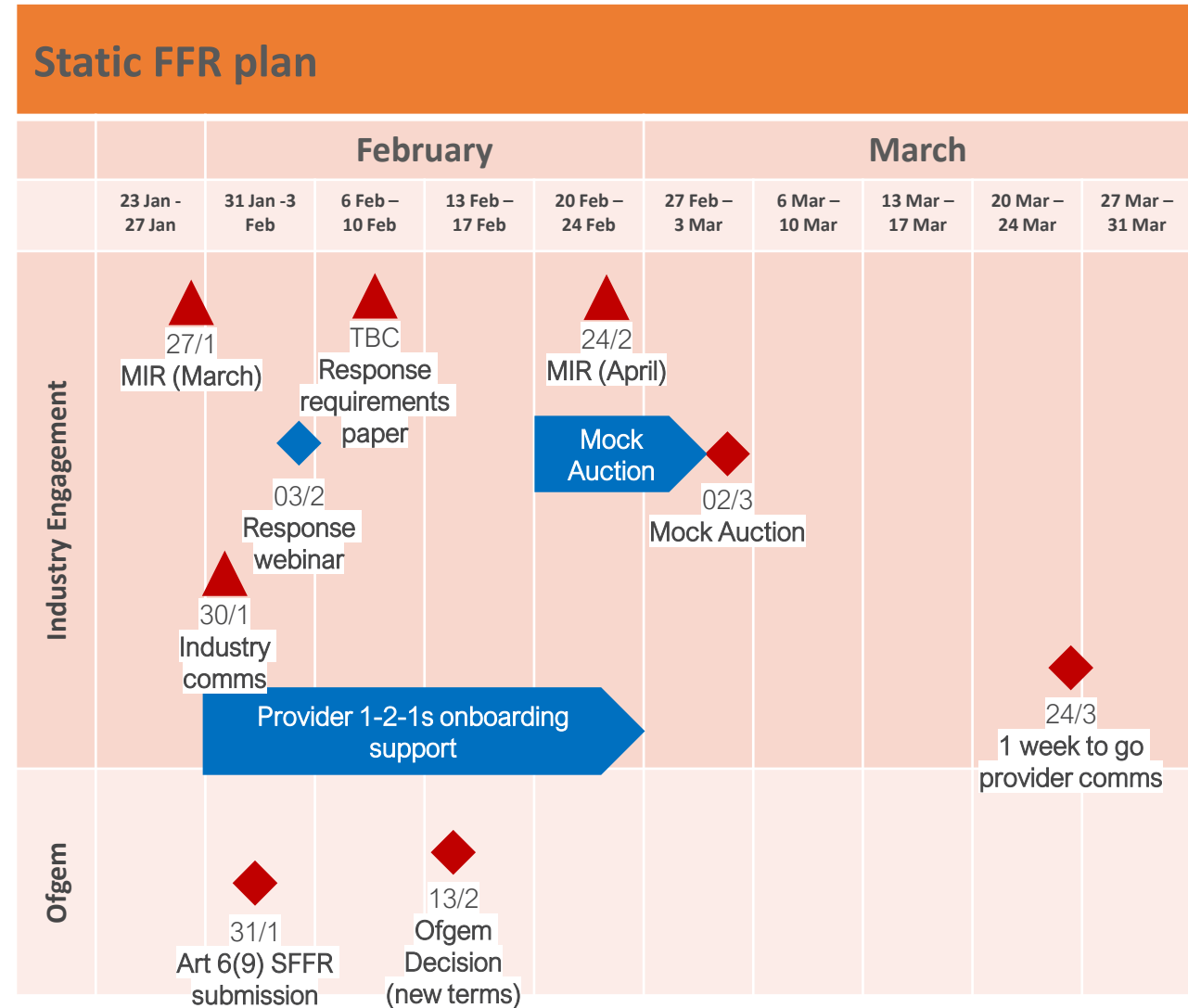
Static FFR: update

- **Daily procurement** will begin from 23:00 on 31 March 2023.
- We will be seeking to buy **250MW** of Secondary Static FFR in each EFA block, depending on the prices offered and cost of alternative action. Information about this is included in the [January MIR](#).
- No SFFR volume will be procured through the monthly tenders from TR159 onwards.

Activities since 25 August	When
EBR consultation	28 September – 28 October
Submitted EBR to Ofgem	12 December
Submitted Art 6(2) derogation to Ofgem	12 December
Agreed requirements for new daily procurement.	November 2022
SMP development	November 2022 – 31 January 2023
Bid submission process and assessment tool	In development
Control room data flows	In testing

Static FFR: Mock Auction – 02 March 2023

- We are running a **mock auction** to test our new business process to run daily auctions.
- All participating units need to be onboarded for Static FFR via the [Single Markets Platform](#).
- Please contact commercial.operation@nationalgrideso.com if you would like to take part by **COP** on 17 February 2023.



A landscape photograph featuring rolling hills under a cloudy sky. In the foreground, there is a field of harvested crops, possibly corn, with a path leading towards a large, dark tree on the right. The text "Feedback received" is overlaid in white on the left side of the image.

Feedback received

Release 1 proforma feedback

Summary of proforma feedback from EBR Article 18 consultation and the ESO response

Performance Monitoring and State of Energy guidance	Data derived baselines	Service Stacking	Ramp rates	GSP aggregation
<ul style="list-style-type: none">• General support for changes from industry• Request from industry for further examples, tools and guidance• Guidance document to be provided by ESO	<ul style="list-style-type: none">• Feedback from industry requesting further progress on this topic• Gaming concerns addressed• ESO to review processes and develop business case	<ul style="list-style-type: none">• Not viable for interim platform• Planned to align with Enduring Auction Capability launch (September 2023)	<ul style="list-style-type: none">• Reviewing viable options• Including global raising of limit or control of “off-peak” ramping• Poses stability risk – needs further investigation	<ul style="list-style-type: none">• General support for changes from industry

New dynamic services consultation responses

FFR consultation responses

Guidance documentation

A landscape photograph of rolling hills at sunset. The foreground is a field of harvested crops, possibly corn, with a path leading towards the hills. A large, dark tree stands on the right side of the frame. The sky is filled with soft, golden light from the setting sun, with scattered clouds. The text "Guidance documentation" is overlaid in white on the left side of the image.

Improved guidance for the new response services



One stop shop



Additional depth



Use cases



Updated independently and more frequently than service annual cycle

Participation guidance: prioritising the technical aspects

Publication in Feb 2023

V1

Testing

Performance Monitoring

Baselining

State of Energy Management

K-factors

Physical Notifications

Methodology

Grace periods

Rules and Recommendations

V2

Participant journey

Guidance document: share your views

Month FY23 / Work Stream	January 20-27	January 30-03	February 6-17	February 20-24	March
<u>Provider Guidance V 1.0</u>					
Internal drafting					
External feedback rounds					
Publication					
<u>Provider Guidance V 1.1</u>					
Updates					


We are inviting industry stakeholders to review and help shape the draft guidance document

**Feedback slots available
Fri 10 – Wed 15 Feb**

A landscape photograph of rolling hills at sunset. The foreground is a field of harvested crops, possibly corn, with a path leading towards a large, dark tree on the right. The hills are covered in golden-brown crops, and the sky is filled with soft, glowing clouds. The text "Looking ahead" is overlaid on the left side of the image.

Looking ahead

Release 2

Month FY23 / Work Stream	Q4 22/23	Q1 23/24	Q2 23/24	Q3 23/24	Q4 23/24			
Response Release 2 - Consultation								
	Dec – Feb Discussion	Jan – Mar workshops	Mar - Apr document updates	May Road shows	2 Jun – 2 Jul Consultation open	Jul – Aug Feedback & submission preparation	Aug – Oct Ofgem review and decision	
Related ESO consultations (C16 & EAC)	C16 (Jan)	EAC (Feb)				EAC go-live (Sep/Oct)		C16 (Jan)
Response Release 2 – IT Delivery						Business Go-live 		
Requirement Gathering	Requirements gathering							
Analysis & Design (Programme level)			Analysis & Design					
Analysis & Design (System Level)				Analysis & Design				
Development & Test					Development			
System & User Testing							Performance Testing	UAT
Go-Live							SIT	

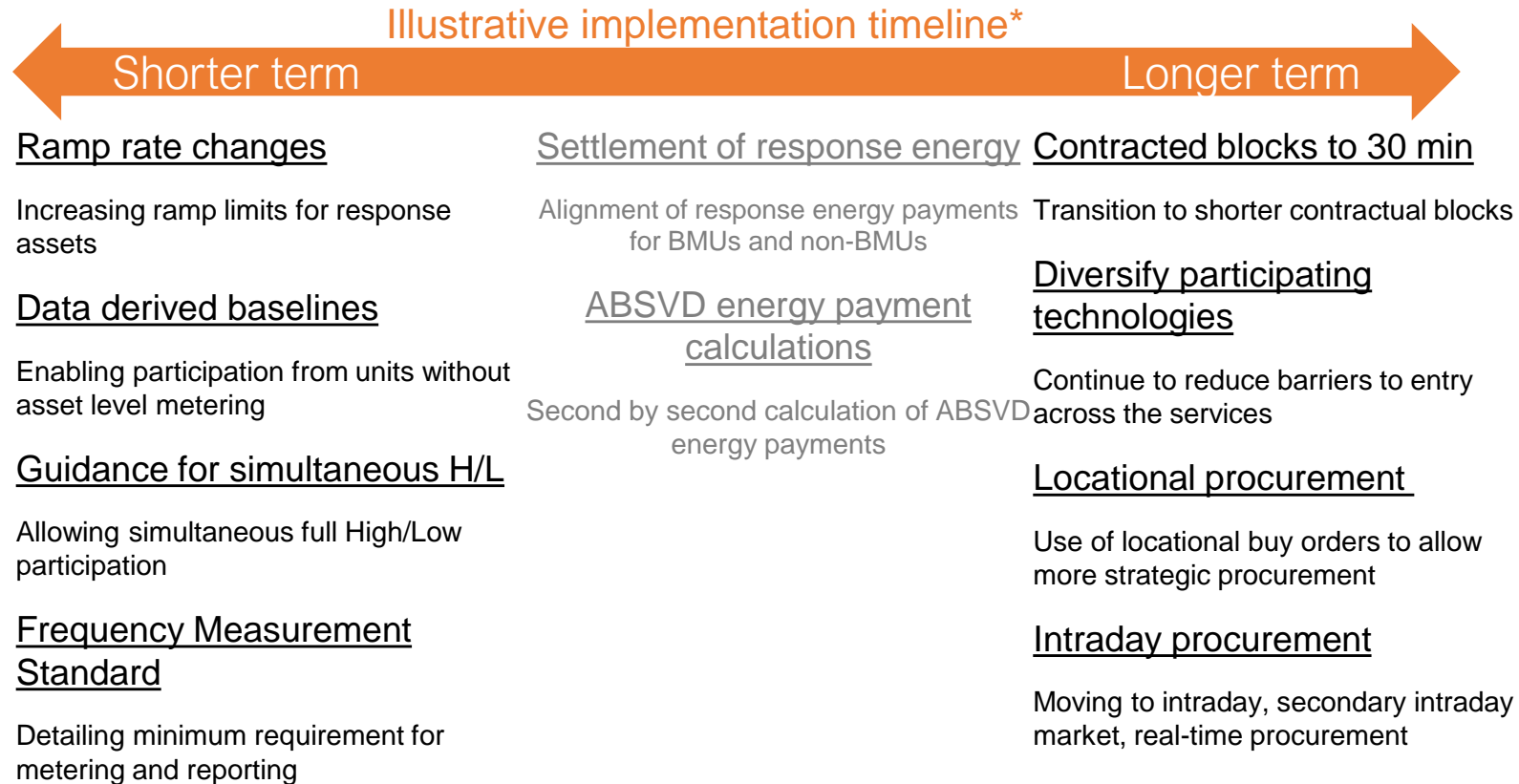
Production Deployment



Trialling better alignment between IT development and the new annual cycle

SIT = system integration testing | UAT = user acceptance testing

Topics for exploration



Expected delivery through ESO platform teams

Non-integer MW values (OBP)
 Allowing sub-MW divisions in PNs

Service splitting (EAC)
 Simultaneous participation in multiple services.
 Expected FY23/24

Co-optimisation (EAC)
 Bidding across multiple services to deliver in one (or more - if combined with splitting).
 Expected FY23/24

*implementation is dependent on the outcome of benefit analysis and impact assessments, followed by prioritisation activities

Roadshows

2022	2023
<p>We planned 3 events:</p> <ul style="list-style-type: none">• London - well attended, 20+ attendees• Warwick - cancelled due to limited interest, <5 sign ups• Edinburgh - viable but received last minute cancellations, 5-10 attendees	<p>We will run 2-3 roadshow events this year</p> <ul style="list-style-type: none">• We will have a webinar probably in May• Roadshow events in May• Following this we can run virtual drop-in sessions for those unable to attend
<p>In which locations would you like to see us this year?</p>	

Monthly updates

As part of ongoing efforts to enhance our engagement, we are proposing to share monthly updates on the work we have been involved in and the upcoming plans and events we have.

We will be starting this as a written “one-pager” update to be shared on the website but we welcome feedback and suggestions for how these updates can be most effectively communicated.

Suggestions have included:

- Slide pack with commentary
- Pre-prepared recording
- Drop-in sessions



Any questions?

Please use the Teams Q&A feature
to ask your questions





Thank you for attending

Contact us:

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