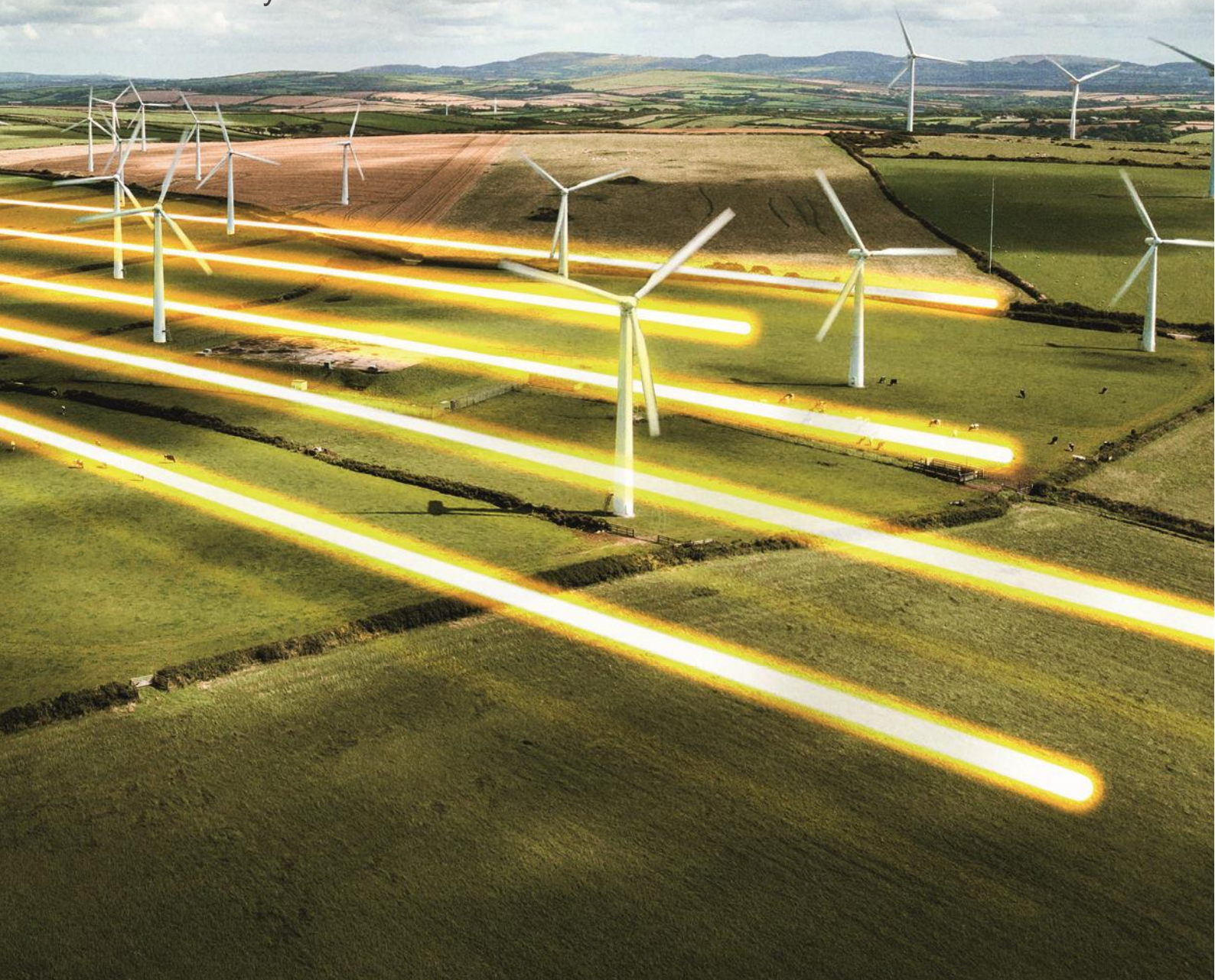


Publicly Available

C16 Annual Review

Proposed revisions to the Procurement Guidelines, Balancing Principles, BSAD, SMAF and ABSVD C16 Statements for 2024/25.

18 January 2024



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Executive summary

This consultation has been produced under Condition C16 of the Transmission Licence to undertake an annual review of National Grid Electricity System Operator’s (NGESO) C16 Statements.

NGESO held an industry forum on 21 November 2023, the aim of which was to allow both NGESO and industry to share their early thoughts on what changes should be considered to the five C16 statements and Relevant Balancing Services Guidelines this year and what could be considered for future reviews. Following the forum NGESO produced an informal consultation incorporating both C16 and RBS Guidelines which ran from 08 December 2023 to 05 January 2024. This informal consultation did not form part of the formal C16 Licence Condition process but is an additional element allowing NGESO to do more fact finding and create a more efficient and thorough review at the formal stage.

The formal consultation does form part of the C16 License Condition and will now detail the changes NGESO are considering during this year’s review following the feedback from the industry forum and informal consultation. It will only concern proposed changes to the C16 Statements. A final RBS Guidelines consultation will be issued separately.

There are five statements that form Condition C16, all of which are open for review and change during this consultation process:

- 1) The Procurement Guidelines Statement (PGS)
- 2) Applicable Balancing Services Volume Data Methodology Statement (ABSVD)
- 3) Balancing Principles Statement (BPS)
- 4) Balancing Services Adjustment Data Methodology Statement (BSAD)
- 5) System Management Action Flagging Methodology Statement (SMAF)

NGESO’s proposed key focus areas for review of the five statements this year are:

- Housekeeping updates including formatting, link review and version control.
- Inclusion of Balancing Reserve as a new service.
- Inclusion of Quick Reserve as a new service
- Amendments to the wording for Local Constraint Market (LCM)
- Updates to wording for Demand Flexibility Service
- Updates to naming for the Pathfinder projects to reflect current project names.

Further details of these proposed changes can be found in the individual statement sections within this document and the statements themselves.

NGESO welcomes industry views on the proposed changes. Responses are required by **5pm on 15 February 2024**. Details on how to make a response can be found in the Consultation Questions section.

Following receipt of responses to this consultation, which follows the industry forum and the early consultation, NGESO will produce a report that will summarise the final changes recommended to be made to this year’s statements, submitted to the Authority for review. This will detail all feedback received throughout the consultation process, NGESO responses and final proposed changes to statements.

The current versions of the C16 statements, informal and formal consultations, industry responses and the C16 report to Authority will all be published at the link below:

<https://www.nationalgrideso.com/balancing-services/c16-statements-and-consultations>

Indicative Dates:

Informal Consultation Release: 08 December 2023

Informal Consultation Deadline: 05 January 2024

Official Consultation Release: 18 January 2024

Official Consultation Deadline: 15 February 2024

Report to Authority: 22 February 2024

Authority Veto/Direction: 21 March 2024

Statements Go Live: 01 April 2024

If you have any questions about this document, please contact:

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Please note that consequential changes resulting from modifications to GB industry codes, stakeholder suggestions and upcoming regulatory changes that are not captured here will be actioned either in future annual reviews, or individual statement reviews, as appropriate.



Jamie Webb

Market Frameworks Senior Manager

SLC C16 Process Overview

The Review

In accordance with Standard Condition C16 (C16) of its Transmission Licence, NGENSO is conducting its annual review of all licence statements, regular reviews of the methodologies and, if appropriate, proposing changes to these documents.

The purpose of NGENSO's review and consultation is to ensure that each of the applicable documents remains current by seeking industry views on any proposed changes. NGENSO invites the Authority (Ofgem) to review the proposed changes. If the Authority chooses to exercise their powers of veto for these proposed changes to the C16 statements, the existing versions will remain in place. Alternatively, the proposed changes will become effective by 01 April unless the Authority issues a direction that statements changes should become effective earlier or are vetoed.

The following C16 statements are the focus of the annual review:

- Procurement Guidelines Statement (PGS)
- Applicable Balancing Services Volume Data Methodology Statement (ABSVD)
- Balancing Principles Statement (BPS)
- Balancing Services Adjustment Data Methodology (BSAD)
- System Management Action Flagging Methodology (SMAF)

It should be noted that the annual review of the C16 statements is not the primary forum for the development of new products. They will be created and consulted on in a separate process, and any subsequent changes to the statements will reflect new products as required.

Industry Forum

An initial phase of the review process is for NGENSO to hold an industry forum, the aim of which is to allow NGENSO to engage early with industry on the key elements of change we are considering and enable industry to offer early challenge and further suggestions. Any thoughts from NGENSO at this forum should not be considered as NGENSO's final position.

2023 Industry Forum

The industry forum was held on 21 November 2023.

The aim was to discuss the potential changes to be included in the 2023-2024 annual update for the C16 statements and the RBS Guidelines in more detail.

The recording of this webinar can be found [here](#)

Areas highlighted for C16 by NGESO on the industry forum were:

- Addition of new regulating reserve product: Balancing Reserve
- Review of MW Dispatch
- Review of Demand Flexibility Service
- Review of Network Services Procurement (formerly Pathfinders)

Thank you to those who have engaged with the process so far. We continue to welcome any feedback that may improve the content and process in future years.

Informal Consultation

The next stage of the review process is for NGESO to issue an early more “informal” consultation, this builds on the outputs from the industry forum and allows wider industry to respond to NGESO’s early thoughts on changes required.

This consultation does not form part of the C16 Licence Condition and is an additional one that allows NGESO to do more fact finding and create a more efficient and thorough review.

At this point of the process, it is unlikely that NGESO will suggest complete text changes to the statements, however, we may provide some suggestions to text changes on certain topics. We allow up to 28 days for our stakeholders to review, as with the official consultation. As above, any thoughts from NGESO during this early consultation should not be considered as NGESO’s final position.

The informal consultation ran from 08 December 2023 to 05 January 2024. We received 8 responses from a range of industry stakeholders. Thank you to those who have provided feedback and engaged with the process so far.

Review and Issue Formal Consultation

Following the close of the informal consultation NGESO will review the early consultation responses and begin to finalise a draft position on the text changes in the statements. NGESO will offer a response to each point raised by industry where possible. If more consideration is required for any representations made in the informal consultation, then an NGESO response will be provided within the report submission to the Authority. This will be documented and issued via an “official” consultation that does form part of the C16 Licence Condition.

This consultation will run for 28 days.

Report to Authority

Once the formal consultation has closed, NGESO will document, in the form of a report, the final position on the proposed changes, along with the tracked changed versions of the statements. The report will also include in a clear and transparent way all industry responses from both consultations and NGESO’s view for each of these.

This report must be issued to the Authority within 7 days (5 working) from the closure of the formal consultation.

Authority Decision and Statement go live

The final step in the review process is for the Authority to review all the documents submitted to them by NGESO at the report submission stage.

As part of the Licence Condition, the Authority has 28 days to offer a direction or to challenge NGESO’s submission. If the Authority does not veto the proposed changes, then the revised statements will go live on the NGESO website on the 01 April, unless directed otherwise. If the Authority does veto any proposed revisions, then there are two different directions for the statements to go live.

The Authority can either direct a change or they can request NGESO to run a further consultation on the specific issues they have identified, which may push back the go live date or a statement might go live pending further changes.

C16 Timeline of Next Steps

Action	Start Date	End Date
Informal Consultation	08 December 2023	05 January 2024
Formal Consultation	18 January 2023	15 February 2024
Report to Authority	15 February 2024	22 February 2024
Authority Direction	22 February 2024	On/Before 21 March 2024
Revised Statements Go Live	01 April 2024	

Review of Suggested Changes during the C16 consultation process

For clarity we have provided some background information on the services being updated during this review:

Demand Flexibility Service (DFS):

The Demand Flexibility Service (DFS) has evolved from last year to allow NGENSO to access additional flexibility when national demand is at its highest – during peak winter days – which is not currently accessible to NGENSO in real time. This service will allow consumers, as well as some industrial and commercial users (through suppliers/aggregators), to be incentivised for voluntarily flexing the time when they use their electricity.

Network Service Procurement (formerly Pathfinders):

NGESO procures services to allow it to manage certain technical characteristics of the electricity network which are:

- Stability
- Voltage
- Thermal Constraints

This is done through the Network Services Procurement programme – formerly known as Pathfinders.

Electricity System Restoration (ESR):

NGESO contracts with units to restore power in the event of a total or partial shutdown of the national electricity transmission system.

Balancing Reserve:

Balancing Reserve (BR) is designed to balance demand and generation in real time and reduce balancing costs. This product has a potential to bring significant savings to balancing costs from procurement at day ahead stage.

Daily Auctions will lock in volume at day ahead, securing our requirement for headroom or footroom. Therefore, buying reserve capacity will improve system security as the unit headroom and footroom will be guaranteed for the Control Room to access when needed.

Buying reserve capacity ahead of time would mean our reserve requirements would be aligned with the wholesale market in a timescale that allows the market to re-balance their position before gate closures. This would move the scarcity into a more transparent, liquid and competitive market with more participants and better information balance between the market participants.

Utilisation will be in line with normal Balancing Mechanism operation by way of a Bid-Offer Acceptances (BOAs) vis Electronic Dispatch Logging (EDL)/Electronic Data Transfer (EDT).

MW Dispatch Service:

MW Dispatch is a transmission constraint management service and the first product to be developed through our joint Regional Development Programmes with DNOs. This service is initially only open to Distributed Energy Resource (DER) connected to specific Grid Supply Points in National Grid Electricity Distribution (Southwest) and UK Power Network (South East Coast region) DNO areas. This enables DER with specific connection terms and conditions to fulfil these obligations and NGENSO expects to open this service up to more parties and geographies in the coming months.

The service, regardless of technology, requires providers to reduce real power output to zero ('turn to zero') when instructed by NGENSO under certain network conditions and when it is economic to do so. If instructed, and providing they comply with the instruction, MW Dispatch Service Providers will be paid for the volume of energy they have curtailed.

The functionality to support the service went live in NGENSO's area in September 2023 with a joint end-to-end trial dispatch including a live DER in late 2023, with a view to utilising the service fully from early 2024. Initially DER volumes signed up for the service are low, however, the service being live will allow more DERs to be connected in currently particularly congested areas of the transmission network.

The service is expected to be live in the UKPN network area from Q1 2024. Again, the initial DER volumes signed up for the service are low but with the same expectation that this will enable or facilitate more DER connections in this area which may have otherwise not been possible without significant transmission network reinforcement.

The introduction of this service will give the NGENSO Control Room teams a way to view and understand network conditions in the DNO network and therefore make informed real-time decisions on DER Providers curtailment to manage pre-fault thermal constraints. As mentioned above, this could also allow NGENSO to potentially provide earlier connection dates to more DER providers in particularly constrained areas of the network.

During 2024, ESO will also be working alongside both NGENSO and UKPN to build on the existing MW Dispatch solutions in order to enhance and evolve the service with improved cross NGENSO / DNO visibility, improved functionality to meet the requirements of NGENSO, DNO and DERs as well as potentially including a 'turn up' service for Battery Energy Storage System (BESS) providers using a similar rationale and methodology to the MW Dispatch concept.

Quick Reserve:

Reserve is needed for frequency management when there is an imbalance between supply of energy and demand for energy. ESO are developing a suite of new Reserve services to replace the existing suite of positive and negative Reserve services.

Initially we plan to commence the procurement of Positive and Negative Quick Reserve in the second half of 2024 with a phased approach based on the capabilities of our new and legacy IT systems, with the service available initially to Balancing Mechanism Units only.

We intend to introduce Positive and Negative Quick Reserve as a Firm service (contracting firm capacity at 'day-ahead' via a daily auction) with Utilisation in line with normal Balancing Mechanism operation by way of a Bid-Offer Acceptances (BOAs) via Electronic Dispatch Logging (EDL)/Electronic Data Transfer (EDT).

We will then continue to develop the new reserve services in parallel with the continued roll out of new IT capability as we replace our legacy systems and expect to complete the phased procurement of Quick Reserve and that of Slow Reserve during 2025.

Local Constraint Market

The Local Constraint Market (LCM) is a thermal constraint management service which has been designed to provide an interim solution over the next two to three years to help manage the high and rising costs at and above the England/Scotland boundary. Historically, we have only been able to use generation turn down from BM registered assets. The service is now live and used when B6 and or B4 boundaries require, and operational conditions permit. LCM has engaged new flexibility providers and is an additional option wherever LCM Provider bids prove more cost effective than the BM. It is now available to generation turn down and demand turn up from Providers who are non-BM, including those registered in the Capacity Market (CM).

Presently for LCM (Local Constraint Market), NGENSO applies ABSVD process to Half-Hourly (HH) – settled volumes covering (a) The Industrial and Commercial (I&C) consumers via P354 “Use of ABSVD for non-BM Balancing Services at the Metered (MPAN) level”; and (b) Domestic Consumers whose MPAN permits (is HH settled). Use of ABSVD benefits consumers in general because the service can access additional volumes from those providers who rely on their LCM imbalances being corrected via ABSVD, thereby enabling additional savings on constraint action costs met by the bill payer.

With regard to the wider enabling of increased participation from demand turn up Providers (both for LCM and other services), NGENSO has solicited valued feedback from Stakeholders including aggregators about refining NGENSO’s approach to adjusting (demand turn up) energy imbalances. Feedback from recent trials on the LCM service has highlighted that LCM Providers face problems in securing sufficient compensation for energy. In particular, there is a scenario where an energy customer is offering Demand Turn Up volume within the LCM service via an Aggregator, the ABSVD process would pass the allocation to the registered BSC Supplier to correct their Energy Imbalance position. Where the flex action is via an Aggregator, not the Supplier, the resulting credit does not reach direct LCM end customer or independent Aggregators unless they set up commercial agreements with their consumers’ Supplier(s).

As a result of this feedback, and to overcome some of the present ABSVD challenges for LCM providers, NGENSO is currently reviewing our current approach to seek possible improvements, in order to better serve the wider market and enable more demand turn up Providers to participate.

One potential solution being explored is a price adjustment mechanism which could act as an alternative to ABSVD for demand turn up providers:

Eligible LCM Providers would have the option to opt out explicitly consenting MPAN LCM volumes from ABSVD. This would have the net result that Suppliers who receive increased LCM energy payments would no longer also benefit from energy imbalance position correction via ABSVD. As a result, a credit would flow back to Residual Cashflow Reallocation Cashflow (RCRC) at a level determined by the system price in effect at the time of imbalance.

We are continuing to consult with our stakeholders whether energy compensation can be made by NGENSO directly to qualifying providers who opt out eligible MPANs. The option would be limited to demand turn up providers. To offset this cost, the resulting imbalance credits would be offset by NGENSO BSUoS charges. This approach aims to eliminate any net RCRC effects on the bill payer.

Proposals for the Procurement Guidelines Statement (2024-25)

The Procurement Guidelines set out the types of Balancing Services which the NGESO may be interested in purchasing, together with the mechanisms by which NGESO envisages purchasing such Balancing Services. It acts as a generic statement of the procurement principles the NGESO expects to follow.

The amendments proposed to the Procurement Guidelines Statement are:

- Changes to the MW Dispatch introduction.
- Addition of an end date for the Demand Flexibility Service.
- Addition of Point C Restoration Services to reflect the definition of Balancing Services as per the transmission licence.
- Updates to the wording for Part 2 System Ancillary Services.
- Addition of Stability to the list of the types of Commercial Ancillary Services required.
- Removal of the wording related to Network Development Map.
- Removal of the wording relating to Pathfinder projects.
- The addition of Balancing Reserve to the list of Commercial Ancillary Services required.
- Addition of Voltage Network Services Procurement (formerly Voltage Pathfinder) to the list of Commercial Ancillary Services we expect to procure.
- Addition of Constraint Management Intertrip Service (CMIS) formerly Constraint Management Pathfinder to the list of Constraint Management Services.
- Updates to the wording relating to Reactive Power
- Removal of the wording relating to Operational Downward Flexibility Management (ODFM).
- Addition of wording related to Stability Markets.
- Addition of SuperSEL service.
- Removal of Demand Turn Up Service following feedback related to the removal of ODFM.
- Updates to version control following a review of the statement and general housekeeping i.e., link updates.

Please see the tracked change document for the Procurement Guidelines Statement (PGS) for detail of the proposed changes. This is stored within the folder: 'C16 Annual Consultation 2024-25', which can be located on the C16 webpage:

<https://www.nationalgrideso.com/balancing-services/c16-statements-and-consultations>

Early Consultation Responses

Industry Feedback on the Procurement Guidelines Statement

Response from: Flextricity

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the Procurement Guidelines in relation to housekeeping updates, i.e.	Yes	Thank you for your response, we appreciate the feedback you have provided.

version control, link updates? Please provide rationale.		
Do you agree with the proposed suggestions to the wording on system management contracts on P14? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the updates to the wording for Future Requirements for Part 2 System Ancillary Services on P16? Please provide rationale.	Yes. We particularly welcome ESO's intention to create new categories so that DER could apply to provide Electricity System Restoration at distribution level.	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the addition of Stability to the list of Commercial Ancillary Services on P18? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Balancing Reserve on P20? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Voltage Network Services Procurement on P25? Please provide rationale.	Yes. We request early engagement with industry on contract structure to ensure that the broadest field of potential providers can meet the ESO's determined needs."	Thank you for your response, we appreciate the feedback you have provided. We have shared this with the team to ensure opportunities for engagement are offered as early as possible.
Do you agree with the proposed suggestions to the Procurement Guidelines for Demand Flexibility Service on P28? Please provide rationale.	Yes. We agree with ESO that DFS is appropriate for assets which cannot currently provide flexibility in real time, acknowledging the ongoing consideration of changes to operational metering which could enable these assets to participate closer to real time and/or through the BM and the Platform for Ancillary Services. The potential extension to DFS beyond 31 March 2024 should be considered in light of both the approaching MHHS programme and	Thank you for your response, we appreciate the feedback you have provided. ESO will be reviewing the future development of the Demand Flexibility Service throughout the early stages of 2024. Whilst the current service terms and procurement rules have no explicit end date in place we recognise as outlined in Ofgem's approval letter that the derogation expires in April

	ESO's improving ability to manage current DFS assets through OBP.	2024 which would also need reviewing for any future service.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Stability on P28? Please provide rationale.	We commend ESO for moving away from long standing approaches to procuring stability and support the introduction of new markets to competitively procure stability across different contract lengths. We would like to see split procurement introduced to encourage more potential vendors, some of whom would offer a package and some of whom single services. This would create greater liquidity and should lower the cost to ESO of procuring stability services. We continue to question the exclusion of assets connected below 132kV from the new stability markets. We do not believe that ESO has sufficiently demonstrated the evidence which led to that conclusion. If sites below 132kV cannot provide all of the stability services which ESO may want to procure then split procurement could allow them to provide some elements, increasing market competition.	Thank you for your response, we appreciate the feedback you have provided. This has been shared with the Stability Y-1 team who will consider the points raised.
Do you have any other comments in relation to the changes proposed to the Procurement Guidelines? Or any additional changes you would like to see?	The Demand turn-up service is mentioned on page 29 as an expected element of ODFM. As ODFM has been deleted from pp 27-28 as a service ESO expects to procure, perhaps ESO can update the description of DTU within 2.2 or move elsewhere if they expect to procure DTU this year.	Thank you for your response, we appreciate the feedback you have provided. The wording relating to Demand Turn Up has now been removed.

Response from: Association for Decentralised Energy

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the Procurement Guidelines in relation to housekeeping updates, i.e., version control, link updates? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.

<p>Do you agree with the proposed suggestions to the wording on system management contracts on P14? Please provide rationale.</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the updates to the wording for Future Requirements for Part 2 System Ancillary Services on P16? Please provide rationale.</p>	<p>Yes, particularly the intention to create new categories so DER could apply to provide Restoration at Dx level.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the addition of Stability to the list of Commercial Ancillary Services on P18? Please provide rationale.</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Balancing Reserve on P20? Please provide rationale.</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Voltage Network Services Procurement on P25? Please provide rationale.</p>	<p>Yes. However, engagement with industry at the earliest possible stage on issues such as contract structure will enable more providers to get involved with the service."</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p> <p>We have shared this with the team to ensure opportunities for engagement are offered as early as possible.</p>
<p>Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Constraint Management Intertrip Service (CMIS) on P27? Please provide rationale.</p>	<p>The ADE does not have a position.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the proposed suggestions to the Procurement Guidelines for Demand Flexibility Service on P28? Please provide rationale.</p>	<p>Yes. However, as per previous consultation responses, we maintain that MHHS is not the only blocker to the incorporation of DFS assets in in-market services. Equally important is monitoring the success of the OBP in addressing skip rates, the reform of operational metering standards, and the timely rollout of new reserve services.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p> <p>This has been shared with the OBP team who will consider the points raised.</p>

<p>Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Stability on P28? Please provide rationale.</p>	<p>We support the introduction of competitive markets for stability procurement and encourage ESO to proceed with split auctions to ensure the greatest possible participation.</p> <p>We continue to question the exclusion of assets connected below 132kV from the new stability markets. We do not believe that ESO has sufficiently demonstrated the evidence which led to that conclusion. If sites below 132kV cannot provide all of the stability services which ESO may want to procure then split procurement could allow them to provide some elements, increasing market competition.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p> <p>This has been shared with the Stability Y-1 team who will consider the points raised.</p>
<p>Do you have any other comments in relation to the changes proposed to the Procurement Guidelines? Or any additional changes you would like to see?</p>	<p>We suggest that the description of DTU in 2.2 be updated so as to better reflect changes made elsewhere with regard to ODFM.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p> <p>The wording relating to Demand Turn Up has now been removed.</p>

Response from: Equiwatt Limited

Proforma Questions	Industry Response	NGESO Response
<p>Do you agree with the proposed suggestions to the Procurement Guidelines in relation to housekeeping updates, i.e. version control, link updates? Please provide rationale.</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the proposed suggestions to the wording on system management contracts on P14? Please provide rationale.</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the updates to the wording for Future Requirements for Part 2 System Ancillary Services on P16? Please provide rationale.</p>	<p>Yes, particularly the intention to create new categories for DERs to apply for at distributed level along with primary service requirements.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the addition of Stability to the list of Commercial Ancillary</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>

Services on P18? Please provide rationale.		
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Balancing Reserve on P20? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Voltage Network Services Procurement on P25? Please provide rationale.	Yes, however involving the industry at the earliest stages, especially regarding aspects like contract structure, will enhance the participation of a broader range of providers in the service.	Thank you for your response, we appreciate the feedback you have provided. We have shared this with the team to ensure opportunities for engagement are offered as early as possible.
Do you agree with the proposed suggestions to the Procurement Guidelines for Demand Flexibility Service on P28? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Stability on P28? Please provide rationale.	We endorse the proposal for competitive markets in stability procurement and urge the ESO to proceed with split auctions for maximal participation. However, we question the rationale behind excluding assets connected below 132kV from the new stability markets. We believe that the evidence supporting this decision has not been adequately demonstrated by the ESO. If sites below 132kV are limited in providing all required stability services, a split procurement approach could still enable them to contribute certain elements, thereby fostering increased competition in the market.	Thank you for your response, we appreciate the feedback you have provided. This has been shared with the Stability Y-1 team who will consider the points raised.
Do you have any other comments in relation to the changes proposed to the Procurement Guidelines? Or any additional changes you would like to see?	We suggest that the description of DTU in 2.2 be updated to better reflect changes and in more details especially in regard to changes made to ODFM.	Thank you for your response, we appreciate the feedback you have provided. The wording relating to Demand Turn Up has now been removed.

Response from: Axle Energy

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the Procurement Guidelines for Demand Flexibility Service on P28? Please provide rationale.	Yes. But MHHS is not the only blocker to the incorporation of DFS assets in in-market services. Equally important is monitoring the success of the OBP in addressing skip rates, the reform of operational metering standards, and the timely rollout of new reserve services.	Thank you for your response, we appreciate the feedback you have provided. This has been shared with the OBP team who will consider the points raised.

Response from: E.ON Heat Co Ltd

Proforma Questions	Industry Response	NGESO Response
Do you agree with the updates to the wording for Future Requirements for Part 2 System Ancillary Services on P16? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the addition of Stability to the list of Commercial Ancillary Services on P18? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Balancing Reserve on P20? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Voltage Network Services Procurement on P25? Please provide rationale.	I feel the wording within this paragraph is not required. There is no reason to define auctions as being required separately for New Build and Current assets. I'd suggest a consolidated rewording	Thank you for your response, we appreciate the feedback you have provided. We have considered this response and consolidated the wording accordingly.
Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Constraint Management Intertrip Service (CMIS) on P27? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the Procurement Guidelines for Demand	This should be aligned with the DFS Procurement Rules. This states "indefinite" without an end date. Here	Thank you for your response, we appreciate the feedback you have provided.

<p>Flexibility Service on P28? Please provide rationale.</p>	<p>you are setting an end date of 31/03/2024 with an option to extend.</p>	<p>ESO will be reviewing the future development of the Demand Flexibility Service throughout the early stages of 2024. Whilst the current service terms and procurement rules have no explicit end date in place we recognise as outlined in Ofgem’s approval letter that the derogation expires in April 2024 which would also need reviewing for any future service.</p>
<p>Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Stability on P28? Please provide rationale.</p>	<p>Yes, seems logical however this needs to be weighed against the costs of hosting additional auctions.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you have any other comments in relation to the changes proposed to the Procurement Guidelines? Or any additional changes you would like to see?</p>	<p>Pg 37 has the removal of DC/DM/DR, It is not clear why this has been removed.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p> <p>DC/DM/DR Services have been moved to sit under the Frequency Response heading in the same table. We have reviewed the question we ask on this section to make it clearer this is not a deletion of the services.</p>

Proposals for the Applicable Balancing Services Volume Data (ABSVD) Methodology Statement (2024-25)

The Applicable Balancing Services Volume Data methodology sets out the information on Applicable Balancing Services that will be taken into account for the purposes of determining imbalance volumes.

The amendments proposed to the ABSVD Methodology Statement are:

- Removal of Operational Downward Flexibility Management (ODFM) from the list of Applicable Balancing Services contracts that will be included in the calculation of the ABSVD, following a review of the service.
- Addition of wording relating to Local Constraint Market (LCM) to the balancing services for inclusion in the ABSVD, to account for a conditional and limited scope facility to opt out of ABSVD for qualifying demand turn up providers.
- Removal of the wording for Negative Slow Reserve from the list of Applicable Balancing Services contracts that will be included in the calculation of the ABSVD, following a review of the service.
- Addition of Quick Reserve into the list of Applicable Balancing Services contracts that will be included in the calculation of the ABSVD.

- Reformatting of the list of Applicable Balancing Services Contracts which will be included in the calculation of the ABSVD into a table format from a list format, NGENSO hopes this will assist in providing clarity on the contracts included.
- Reformatting of the list of Applicable Balancing Services Contracts with Non-BM providers which will be included in the calculation of the ABSVD into a table format from a list format, NGENSO hopes this will assist in providing clarity on the contracts included.
- Addition of wording references to Section Q of BSC 6.4 into Section 3 ABSVD Provision for Applicable Balancing Services from Non-BM providers.
- Updates to version control following a review of the statement and general housekeeping i.e., link updates.

Please see the tracked change document for the Applicable Balancing Services Volume Data Methodology (ABSVD) for detail of the proposed changes. This is stored within the folder: 'C16 Annual Consultation 2024-25', which can be located on the C16 webpage:

<https://www.nationalgrideso.com/balancing-services/c16-statements-and-consultations>

Early Consultation Responses

Industry Feedback on the ABSVD Methodology Statement

Response from: E.ON Heat Co Ltd

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the ABSVD Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you have any other comments in relation to the changes proposed to ABSVD? Or any additional changes you would like to see?	<p>Pg11 – The Introduction of EAC has resulted in significant impacts to the DM/DR/DC services pricing and has resulted in different impacts between BM and Non BM providers. We feel that this would have been an ideal opportunity to review the impacts and look to separate out the BM and Non BM providers.</p> <p>We do not feel that this review could wait an additional year for review.</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p> <p>We are reviewing ways to align ABSVD for BMUs and non-BMUs as part of our Response reform work. Significant changes to IT systems and processes have already been identified and work has already been undertaken to deliver some of the new systems which would be required. We are working to confirm timelines for addressing the remaining barriers and hope to be able to share this part of our Response reform future plans.</p>

Response from: Flextricity

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the ABSVD Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.

Response from: Axle Energy

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the ABSVD Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.

Response from: Equiwatt Limited

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the ABSVD Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.

Response from: Association for Decentralised Energy

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the ABSVD Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.

Additional Questions to industry

During the informal consultation we asked a series of additional questions to seek a view from industry on potential updates to Local Constraints Market. The questions focused around exploring a potential price adjustment mechanism which could act as an alternative to ABSVD for demand turn up providers (for more information on LCM, please see page 8).

This was not reflected in the proposed statement updates for the informal consultation but was an opportunity to gauge early views from industry.

We received several responses from industry stakeholders. This included a mixture of positive market feedback and several objections to the proposal. A summary of the feedback received to date can be seen below. NGESO will formally respond to each representation made by stakeholders within both consultations in the report to the Authority.

Positive Market Feedback	Material Objections
<p>The LCM service cannot be considered a level marketplace under current arrangements. ESO's proposal is a sensible solution to addresses current challenges.</p> <p>Should result in growth in participation, increasing competition, improving price-discovery and reducing the cost of constraints to consumers.</p> <p>The alternative compensation mechanism should be implemented for any case where the registered Supplier is not the contracted LCM provider.</p> <p>Aligns with Ofgem's vision for RIIO-2 BP 2 to ensure that "all types of technology and solution are able to fully compete to provide the electricity system's short, medium and longer-term needs".</p>	<p>Larger issues should not be resolved by adjustments on a service-by-service basis as this risks unintended consequences elsewhere.</p> <p>Creates further complexity for market participants (subsequently increasing operating costs & barriers to entry for new entrants).</p> <p>Creates an unknowable imbalance exposure for suppliers. Risk of perverse incentives influencing both LCM bidding and consumer action.</p>

NGESO Response

We would like to thank all stakeholders who have provided feedback into the process so far. We acknowledge the concerns raised by some parties through the informal consultation. We can provide assurance that these will be considered as we continue to work through the technicalities of this proposal and assess the potential unintended impacts which have been raised. In light of the initial responses, we are reviewing whether we can implement several options including the implementation of the ABSVD opt out mechanism (interim resolution) and an enduring solution to the challenges raised regarding the existing settlements process for demand turn up providers.

In terms of next steps, we will review all feedback received from both the informal and formal consultation and conduct further analysis to bring us to a decision as to whether NGESO proceeds with the proposal and decides to include this within the official C16 report to the Authority.

NGESO would therefore like to offer our stakeholders a further opportunity to provide feedback on the potential ABSVD alternative compensation mechanism before the 15 February. Specific questions regarding potential changes to LCM settlement can be found within the ABSVD Methodology section.

We will then finalise our position on this proposal within the C16 report which will be submitted to the Authority on 22 February.

Proposals for the Balancing Principles Statement (2024-25)

The Balancing Principles Statement defines the broad principles and criteria (the Balancing Principles) used by NGET that will determine, at different times and in different circumstances, which Balancing Services it will use to assist in the efficient and economic operation of the transmission system, and also to define when NGET would resort to measures not involving the use of Balancing Services.

The amendments proposed to the BPS are:

- Updates to the wording in Section 2.3 Control Phase – Pre Gate Closure to add detail on intertripping schemes.
- Balancing Reserve: Balancing Reserve has been added as a new regulating reserve product.
- Addition of Quick Reserve to the list of Reserve products.
- Updates to version control following a review of the statement and general housekeeping i.e., link updates.

Please see the tracked change document for the Balancing Principles Statement (BPS) for detail of the proposed changes. This is stored within the folder: ‘C16 Annual Consultation 2024-25’, which can be located on the C16 webpage:

<https://www.nationalgrideso.com/balancing-services/c16-statements-and-consultations>

Early Consultation Responses

Industry Feedback on the Balancing Principles Statement

Response from: E.ON Heat Co Ltd

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the Balancing Principles Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree to the updates to wording in Section 2.3 Control Phase - Pre Gate Closure in the Balancing Principles Statement on P25? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.

<p>Do you agree with the proposed suggestions to the wording on Regulating Reserve in the Balancing Principles Statement on P29? Please provide rationale.</p>	<p>This needs to be reviewed, there is no reference to “Regulating Reserve” in the Balancing section of the Procurement Guidelines.</p>	<p>Thank you for your response, we appreciate the feedback you have provided. This has been reviewed and a link provided to the Balancing Services area of the ESO website providing more information.</p>
<p>Do you have any other comments in relation to the changes proposed to the Balancing Principles Statement? Or any additional changes you would like to see?</p>	<p>No</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>

Response from: Equiwatt Limited

Proforma Questions	Industry Response	NGESO Response
<p>Do you agree with the proposed suggestions to the Balancing Principles Statement in relation to housekeeping updates, i.e., version control, link updates?</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree to the updates to wording in Section 2.3 Control Phase - Pre Gate Closure in the Balancing Principles Statement on P25? Please provide rationale.</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you agree with the proposed suggestions to the wording on Regulating Reserve in the Balancing Principles Statement on P29? Please provide rationale.</p>	<p>Yes</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>
<p>Do you have any other comments in relation to the changes proposed to the Balancing Principles Statement? Or any additional changes you would like to see?</p>	<p>No</p>	<p>Thank you for your response, we appreciate the feedback you have provided.</p>

Response from: Association for Decentralised Energy

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the Balancing Principles Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree to the updates to wording in Section 2.3 Control Phase - Pre Gate Closure in the Balancing Principles Statement on P25? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you agree with the proposed suggestions to the wording on Regulating Reserve in the Balancing Principles Statement on P29? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you have any other comments in relation to the changes proposed to the Balancing Principles Statement? Or any additional changes you would like to see?	No	Thank you for your response, we appreciate the feedback you have provided.

Proposals for the Balancing Services Adjustment Data (BSAD) Methodology Statement (2024-25)

The Balancing Services Adjustment Data Methodology Statement (BSAD) sets out the information on relevant balancing services that will be taken into account under the Balancing and Settlement code for the purposes of determining Imbalance Prices.

The amendments proposed to the BSAD Methodology Statement are:

- Removal of all references to ODFM following a review of the service.
- Update to the Buy Price Adjuster Formula in Section 3, page 14 as currently only BM Start Up is included in the BPA calculation.
- Update to the worked example of the Buy Price Adjuster Formula in Section 3,.1.2 following the update to the formula as above.
- Removal of wording relating to Regulating Reserve
- Addition of wording in Section 3.2 Sell Price Adjuster calculation.
- Removal of the Section 3.2.1 Sell Price Adjuster worked example.

- Removal of Section 2 “Basis of BSAD” from Part C BSAD Submission.
- Addition of Demand Flexibility Service (DFS) into the list of services whose costs and volumes will be included in post-event submissions of BSAD.
- Updates to version control following a review of the statement and general housekeeping i.e., link updates.

Please see the tracked change document for the Balancing Services Adjustment Data Methodology (BSAD) for detail of the proposed changes. This is stored within the folder: ‘C16 Annual Consultation 2024-25’, which can be located on the C16 webpage:

<https://www.nationalgrideso.com/balancing-services/c16-statements-and-consultations>

Early Consultation Responses

Industry Feedback on the Balancing Services Adjustment Data (BSAD)

Response from: E.ON Heat Co Ltd

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the BSAD Methodology Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P13? Please provide rationale.	Yes	Thank you for your response, we appreciate the feedback you have provided. This has been raised with the relevant teams and we are working to obtain further feedback to resolve this.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P19? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P20? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.

Do you have any other comments in relation to the changes proposed to the BSAD Methodology Statement? Or any additional changes you would like to see	No	Thank you for your response, we appreciate the feedback you have provided.
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Response from: Equiwatt Limited

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the BSAD Methodology Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P13? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P19? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P20? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.
Do you have any other comments in relation to the changes proposed to the BSAD Methodology Statement? Or any additional changes you would like to see	No	Thank you for your response, we appreciate the feedback you have provided.

Response from: Association for Decentralised Energy

Proforma Questions	Industry Response	NGESO Response
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Do you agree with the proposed suggestions to the BSAD Methodology Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P13? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P19? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.
Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P20? Please provide rationale.	No	Thank you for your response, we appreciate the feedback you have provided.
Do you have any other comments in relation to the changes proposed to the BSAD Methodology Statement? Or any additional changes you would like to see	No	Thank you for your response, we appreciate the feedback you have provided.

Proposals for System Management Action Flagging (SMAF) Methodology Statement (2024-25)

The System Management Action Flagging Methodology Statement (SMAF) sets out the means which the licensee will use to identify (using reasonable endeavours) balancing services that are for system management reasons.

The amendments proposed to SMAF Statement are:

- Updates to version control following a review of the statement and general housekeeping i.e., link updates.

Please see the tracked change document for the System Management Action Methodology Statement (SMAF) for detail of the proposed changes. This is stored within the folder: 'C16 Annual Consultation 2024-25', which can be located on the C16 webpage:

<https://www.nationalgrideso.com/balancing-services/c16-statements-and-consultations>

Early Consultation Responses

Industry Feedback on the System Action Flagging (SMAF) Methodology

Response from: E.ON Heat Co Ltd

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the SMAF Methodology Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you have any other comments in relation to the changes proposed to SMAF? Or any additional changes you would like to see?	No	Thank you for your response, we appreciate the feedback you have provided.

Response from: Equiwatt Limited

Proforma Questions	Industry Response	NGESO Response
Do you agree with the proposed suggestions to the SMAF Methodology Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you have any other comments in relation to the changes proposed to SMAF? Or any additional changes you would like to see?	No	Thank you for your response, we appreciate the feedback you have provided.

Response from: Association for Decentralised Energy

Proforma Questions	Industry Response	NGESO Response
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Do you agree with the proposed suggestions to the SMAF Methodology Statement in relation to housekeeping updates, i.e., version control, link updates?	Yes	Thank you for your response, we appreciate the feedback you have provided.
Do you have any other comments in relation to the changes proposed to SMAF? Or any additional changes you would like to see?	No	Thank you for your response, we appreciate the feedback you have provided.

The Consultation Questions

The C16 Questions

We invite industry to provide further feedback on the changes proposed to the Procurement Guidelines, Balancing Principles, BSAD, SMAF and ABSVD 2024/2025 C16 Statements. The consultation questions summarised below are also within the response proforma in Appendix A.

Procurement Guidelines Statement (PGS)

1. Do you agree with the proposed suggestions to the Procurement Guidelines in relation to housekeeping updates i.e., version control, link updates? Please provide rationale.
2. Do you agree with the addition of Point C Restoration Services into the list of Balancing Services defined by the Transmission License on P9? Please provide rationale.
3. Do you agree with the proposed suggestions to the wording on system management contracts on P14? Please provide rationale.
4. Do you agree with the updates to the wording for Future Requirements for Part 2 System Ancillary Services on P16? Please provide rationale.
5. Do you agree with the removal of the wording for EPEXSPOT and replacement with EAC to reflect the auction platform in use on P17? Please provide rationale.
6. Do you object to the removal of the text relating to how EAC will be used for DC, DM and DR following EAC launch. This is replaced by the reference above as these services are now using EAC. Please provide rationale.
7. Do you agree with the addition of Stability to the list of Commercial Ancillary Services on P18? Please provide rationale.
8. Do you object to the removal of the wording related to Network Development Roadmap found on P18-P20? Please provide rationale.
9. Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Balancing Reserve on P20? Please provide rationale.
10. Do you agree with the addition of Balancing Reserve to the list of Commercial Ancillary Services on P21-22? Please provide rationale.
11. Do you agree with the addition of Quick Reserve to the list of Commercial Ancillary Services on P22? Please provide rationale.
12. Do you agree with the updates to the wording on Reactive Power on P25? Please provide rationale.
13. Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Voltage Network Services Procurement on P25? Please provide rationale.
14. Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Constraint Management Intertrip Service (CMIS) on P29? Please provide rationale.

15. Do you object to the removal of the wording for Operational Downward Flexibility Management (ODFM) from the Procurement Guidelines Statement on P29? Please provide rationale.
16. Do you agree with the proposed suggestions to the Procurement Guidelines for Demand Flexibility Service on P30? Please provide rationale.
17. Do you agree with the proposed suggestions to the Procurement Guidelines Statement for Stability on P30? Please provide rationale.
18. Do you agree with the addition of SuperSEL to the list of Constraint Management Services on P30? Please provide rationale.
19. Do you agree with the removal of the wording relating to Demand Turn Up on P30? Please provide rationale.
20. Do you agree with the movement of the DM/DR/DC Services from Commercial Ancillary Services to Frequency Response Services in Table 2 on P40? Please provide rationale.
21. Do you have any other comments in relation to the changes proposed to the Procurement Guidelines? Or any additional changes you would like to see? Please provide rationale.

Applicable Balancing Services Volume Data Methodology Statement (ABSVD)

1. Do you agree with the proposed suggestions to the ABSVD Statement in relation to housekeeping updates, i.e., version control, link updates? Please provide rationale.
2. Do you object to the reformatting of the list of Applicable Balancing Services Contracts into a table form on P10-12? Please provide rationale.
3. Do you object to the removal of the wording for Negative Slow Reserve on P10? Please provide rationale.
4. Do you agree with the addition of Quick Reserve into the table on P12? Please provide rationale.
5. Do you object to the removal of the wording for Operational Downward Flexibility Management (ODFM) from P14? Please provide rationale.
6. Do you object to the reformatting of the list of Applicable Balancing Services Contracts with Non-BM providers into a table form on P14-16? Please provide rationale.
7. Do you object to the inclusion of wording relating to Section Q of BSC 6.4 on P17? Please provide rationale.
8. Do you agree with the proposed suggestions to the ABSVD Statement for the Local Constraint Market (LCM) on P15-16? Please provide rationale.
9. Do you believe consumer LCM imbalances should be corrected via ABSVD for demand turn up providers, as per existing C16 arrangements? Please provide rationale. NOTE: please state if you are answering as (A) a BSC-registered Supplier (and contracted-partner), or (B) an independent aggregator flex provider or (C) other (please specify).
10. Do you have any feedback on the potential proposed (LCM Provider-optional) compensation alternative to ABSVD? Please provide rationale.
11. Where the Provider is also the BSC-registered party Supplier for a consenting MPAN, should the LCM Provider also be permitted an opt-out of the existing intended ABSVD mechanism? Please provide rationale.
12. Do you have any other comments in relation to the changes proposed to ABSVD? Or any additional changes you would like to see? Please provide rationale.

Balancing Principles Statement (BPS)

1. Do you agree with the proposed suggestions to the Balancing Principles Statement in relation to housekeeping updates, i.e., version control, link updates? Please provide rationale.
2. Do you agree to the updates to wording in Section 2.3 Control Phase - Pre-Gate Closure in the Balancing Principles Statement on P25? Please provide rationale.
3. Do you agree with the proposed suggestions to the wording on Regulating Reserve in the Balancing Principles Statement on P29? Please provide rationale.
4. Do you agree with the addition of Quick Reserve to the list of Reserve Products on P32? Please provide rationale.
5. Do you have any other comments in relation to the changes proposed to the Balancing Principles Statement? Or any additional changes you would like to see? Please provide rationale.

Balancing Services Adjustment Data Methodology Statement (BSAD)

1. Do you agree with the proposed suggestions to the BSAD Methodology Statement in relation to housekeeping updates, i.e., version control, link updates? Please provide rationale.
2. Do you object to the removal of Non-BM Negative Slow Reserve Actions (NSR) on P9? Please provide rationale.
3. Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P13? Please provide rationale.
4. Do you object to the removal of the text relating to Price Adjuster on P14? Please provide rationale.
5. Do you object to the update to the Buy Price Adjuster formula on P14? Please provide rationale.
6. Do you object to the removal of the wording relating to Regulating Reserve on P15-16? Please provide rationale.
7. Do you object to the update to the worked example of the Buy Price Adjuster following the update to the formula on P16? Please provide rationale.
8. Do you agree to the updated wording for the Sell Price adjuster calculation on P17? Please provide rationale.
9. Do you object to the removal of the Sell Price Adjuster calculation on P17? Please provide rationale.
10. Do you agree with the addition of Demand Flexibility Service to Part C on P19? Please provide rationale.
11. Do you object to the removal of Section 2 "Basis of BSAD" from P20? Please provide rationale.
12. Do you object to the removal of wording for Operational Downward Flexibility Management (ODFM) from P20? Please provide rationale.
13. Do you have any other comments in relation to the changes proposed to the BSAD Methodology Statement? Or any additional changes you would like to see? Please provide rationale.

System Management Action Flagging Statement (SMAF)

1. Do you agree with the proposed suggestions to the SMAF Methodology Statement in relation to housekeeping updates, i.e., version control, link updates? Please provide rationale.
2. Do you have any other comments in relation to the changes proposed to SMAF? Or any additional changes you would like to see? Please provide rationale.

How to respond

Responses should be submitted by replying to the consultation questions within the response proforma, attached as Appendix A and e-mailing the completed proforma to: balancingservices@nationalgrideso.com

(Please ensure there is an “s” at the end of balancing services, as there have been issues of the “s” not populating when clicking on the hyperlink).

If you do not wish any elements of your response to be made publicly available, please mark these as confidential.

Responses should be returned no later than **5.00pm on 15 February 2024**.

Appendix A: Response Proforma

The proforma can be found here