

Annual Industry Consultation

Applicable Balancing Services Volume Data Methodology Statement,
Balancing Principles Statement,
Balancing Services Adjustment Data Methodology Statement,
Procurement Guidelines,
System Management Action Flagging Methodology Statement.

In accordance with Standard Condition 16 (C16) of its Electricity Transmission Licence, National Grid is required to conduct an annual review of all licence statements, proposing changes as necessary.

Executive Summary

This consultation proposes changes to be made to each of the following documents:

- ABSVD
- BPS
- BSAD
- Procurement Guidelines
- SMAF

It is proposed that each of the subject documents will benefit from a general update of minor changes addressing website links, contact details, and cross-referencing to other documents.

The Procurement Guidelines and SMAF Statement have also been updated to include the Fast De-load Service as a Commercial Ancillary Service. This Service is a type of constraint management service, the energy volume associated with which is already captured within the Applicable Balancing Services Volume Data (ABSVD) methodology (Part B Section 1.2).

The changes to the above documents are detailed in Sections 2 to 6 of this consultation.

National Grid welcomes industry views on the proposed changes, and invites views on any other aspects of the subject documents for further consideration.

Responses are required by **18th January 2013**. Details on how to make a response can be found in Section 8.

Following receipt of responses to this consultation, National Grid will prepare and submit a report to the Authority by **25th January 2013**. This consultation, industry responses and the consultation report will all be published at the link below:

<http://www.nationalgrid.com/uk/Electricity/Balancing/consultations/>

Current versions of the above documents can be found at the following link

<http://www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicencestatements/>

If you have any questions about this document please contact:

Nick Sargent
Commercial Analyst
National Grid

Tel: 01926 653873

Email: balancingservices@nationalgrid.com

Contents

1	Introduction	4
2	Proposed Changes to the ABSVD	4
3	Proposed Changes to the BPS	5
4	Proposed Changes to the BSAD.....	5
5	Proposed Changes to the Procurement Guidelines	6
6	Proposed Changes to the SMAF.....	7
7	Consultation Questions.....	8
8	Responding	9
9	Next Steps	9
	Appendix A - Revised ABSVD Document	10
	Appendix B - Revised BPS Document.....	10
	Appendix C - Revised BSAD Document.....	10
	Appendix D - Revised Procurement Guidelines Document.....	10
	Appendix E - Revised SMAF Document.....	10
	Appendix F - Response Proforma.....	10

1 Introduction

In accordance with Standard Condition 16 (C16) of its Electricity Transmission Licence, National Grid is required to conduct an annual review of all licence statements and, if appropriate, to propose changes to these documents.

The purpose of the annual review and consultation is to ensure that each of the applicable documents remains current by seeking industry views on any proposed changes. Proposed changes can only become effective if approved by the Authority.

As a result of this review, changes are proposed to the following documents:

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

2 Proposed Changes to the ABSVD

The ABSVD document required a general document revision resulting in minor changes, summarised in Table 1 below.

Reference	Change	Comment
Title Page	Identification of Effective Date: Delete: Version Insert: Effective Update: Revised date Delete: Effective in respect of Settlement Days from: 01 April 2011	Update
Page 2	Update: Version control record	Update
Page 3	Update: Contact details	Update
Page 6 Part A Section 1	Delete: statement Insert: Statement Update: Contact details	Revision & update
Page 19 Part C Section 2	Update: Contact details	Update

Table 1 – Proposed ABSVD changes

The proposed changes detailed above are shown in a changed marked version of the ABSVD as Appendix A.

Consultation Question 1

Do you agree that the changes proposed to the ABSVD, shown in Table 1 have been implemented correctly to the ABSVD in Appendix A?

Consultation Question 2

Do you agree that the changes proposed to the ABSVD, shown in Table 1 and in Appendix A, should be made?

Consultation Question 3

Do you have any other comments in relation to the changes proposed to the ABSVD?

3 Proposed Changes to the BPS

The BPS document required a general document revision resulting in minor changes plus an update to a cross-referenced document, summarised in Table 2 below.

Reference	Change	Comment
Title Page	Identification of Effective Date: Delete: from Insert: Date Update: Revised date	Update
Page 2	Update: Version control record	Update
Page 3	Update: Contact details	Update
Pages 4 and 5	Update: contents	Update
Page 35 Part F Section 1	Update of cross-referred document to NETS SQSS Delete: GB Insert: National Electricity Transmission System	Update

Table 2 – Proposed BPS changes

The proposed changes detailed above are shown in a changed marked version of the BPS as Appendix B.

Consultation Question 4

Do you agree that the changes proposed to the BPS, shown in Table 2 have been implemented correctly to the BPS in Appendix B?

Consultation Question 5

Do you agree that the changes proposed to the BPS, shown in Table 2 and in Appendix B, should be made?

Consultation Question 6

Do you have any other comments in relation to the changes proposed to the BPS?

4 Proposed Changes to the BSAD

The BSAD document required minor changes and some additional clarifying text as summarised in Table 3 below.

Reference	Change	Comment
Title Page	Identification of Effective Date: Delete: Version Insert: Effective Update: Revised date	Update
Page 3	Update: Version control record	Update
Page 4	Update: Contact details	Update
Page 5	Update: Contents	Update
Page 13 Section 3.1.1	Insert: and will not feed into the energy imbalance price calculation.	Additional text to clarify existing treatment of Non-BM STOR utilisation.
Page 21 Appendix A Section 2	Insert Seasonal information can be found within the Tender Sheets supporting each Tender Round, accessed from the link below. Update: website link	Additional Text Update

Table 3 – Proposed BSAD changes

The proposed changes detailed above are shown in a changed marked version of the BSAD as Appendix C.

Consultation Question 7

Do you agree that the changes proposed to the BSAD, shown in Table 3 have been implemented correctly to the BSAD in Appendix C?

Consultation Question 8

Do you agree that the changes proposed to the BSAD, shown in Table 3 and in Appendix C, should be made?

Consultation Question 9

Do you have any other comments in relation to the changes proposed to the BSAD?

5 Proposed Changes to the Procurement Guidelines

The Fast De-load Service has now been identified within the Procurement Guidelines as a Commercial Ancillary Service. This Service is a type of constraint management service, the energy volume associated with which is already captured within the Applicable Balancing Services Volume Data (ABSVD) methodology Other minor changes have also been undertaken within the document, all as summarised in Table 4 below.

Reference	Change	Comment
Title Page	Identification of Effective Date: Delete: From Insert: Date Update: Revised date	Update
Page 3	Update: Version control record	Update
Page 3/4	Update: Contact details	Update
Page 7 Part A Section 1	Update: Contact details	Update
Page 14 Part C Section 1	Insert: Fast De-load Service	Addition
Page 18 Part C Section 2.1	Insert: Fast De-load Service explanatory text	Addition
Page 24 Part D Section 1	Update: Contact details	Update
Page 27 Part D Table 1	Insert: Fast De-load in the Balancing Services Summary Table	Addition
Page 28 Part E Section 2	Update: Contact details	Update
Page 29 Part E Section 5	Update: Contact details	Update

Table 4 – Proposed Procurement Guidelines changes

The proposed changes detailed above are shown in a changed marked version of the Procurement Guidelines as Appendix D.

Consultation Question 10

Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 4 have been implemented correctly to the Procurement Guidelines in Appendix D?

Consultation Question 11

Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 4 and in Appendix D, should be made?

Consultation Question 12

Do you have any other comments in relation to the changes proposed to the Procurement Guidelines?

6 Proposed Changes to the SMAF

In addition to a general document update, it was identified that use of the Fast De-load Service should be identified within the document as a System Management Action that is flagged. Although rarely used (in the 12 months prior to this report, the Fast De-load service was not utilised at all), this service is a “security” service required to minimise the pre transmission line fault output restrictions that may apply to Power Stations. The energy volume associated with the Fast De-load service is already captured within the Applicable Balancing Services Volume Data (ABSVD) methodology and associated costs would need to be removed from the cash-out calculations. New explanatory text has been included to this effect.

Reference	Change	Comment
Title Page	Delete: Version Insert: Effective Update: Revised date	Update
Page 2	Update: Version control record Insert: Details of online document location	Update
Page 3	Insert: Contact details	Revision
Page 4	Update: Numbering and text within Contents table. Revised numbering reflected throughout the document	Revision
Page 9 Part B Section 2	Insert: Fast De-load Service explanatory text	Addition
Page 10 Part B Section 3	Update: Section title	Consistency

Table 5 – Proposed SMAF changes

The proposed changes detailed above are shown in a changed marked version of the SMAF as Appendix E.

Consultation Question 13

Do you agree that the changes proposed to the SMAF, shown in Table 5 have been implemented correctly to the Procurement Guidelines in Appendix E?

Consultation Question 14

Do you agree that the changes proposed to the SMAF, shown in Table 5 and in Appendix E, should be made?

Consultation Question 15

Do you have any other comments in relation to the changes proposed to the SMAF?

7 Consultation Questions

The consultation questions detailed here are also summarised within a response proforma as Appendix F.

ABSVD

Consultation Question 1

Do you agree that the changes proposed to the ABSVD, shown in Table 1 have been implemented correctly to the ABSVD in Appendix A?

Consultation Question 2

Do you agree that the changes proposed to the ABSVD, shown in Table 1 and in Appendix A, should be made?

Consultation Question 3

Do you have any other comments in relation to the changes proposed to the ABSVD?

BPS

Consultation Question 4

Do you agree that the changes proposed to the BPS, shown in Table 2 have been implemented correctly to the BPS in Appendix B?

Consultation Question 5

Do you agree that the changes proposed to the BPS, shown in Table 2 and in Appendix B, should be made?

Consultation Question 6

Do you have any other comments in relation to the changes proposed to the BPS?

BSAD

Consultation Question 7

Do you agree that the changes proposed to the BSAD, shown in Table 3 have been implemented correctly to the BSAD in Appendix C?

Consultation Question 8

Do you agree that the changes proposed to the BSAD, shown in Table 3 and in Appendix C, should be made?

Consultation Question 9

Do you have any other comments in relation to the changes proposed to the BSAD?

Procurement Guidelines

Consultation Question 10

Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 4 have been implemented correctly to the Procurement Guidelines in Appendix D?

Consultation Question 11

Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 4 and in Appendix D, should be made?

Consultation Question 12

Do you have any other comments in relation to the changes proposed to the Procurement Guidelines?

SMAF

Consultation Question 13

Do you agree that the changes proposed to the SMAF, shown in Table 5 have been implemented correctly to the Procurement Guidelines in Appendix E?

Consultation Question 14

Do you agree that the changes proposed to the SMAF, shown in Table 5 and in Appendix E, should be made?

Consultation Question 15

Do you have any other comments in relation to the changes proposed to the SMAF?

8 Responding

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

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

Due to the holiday period, the consultation period for this document has been extended from the minimum 28 days to 36 days.

Responses are therefore required by **18th January 2013**. Following the consultation, a report will be produced and submitted to the Authority within seven days of the consultation close. Due to the timescales for the Authority report, it may not be possible to accept late consultation responses.

It is envisaged that, unless directed otherwise by the Authority, the implementation date for each of the revised documents will be 1st April 2013.

9 Next Steps

Following receipt of responses to this consultation, National Grid will prepare and submit a report to the Authority in accordance with Electricity Transmission Licence Standard Condition C16 paragraph (8). The consultation document, consultation report, and all responses, will be published on National Grid's website:

www.nationalgrid.com/uk/Electricity/Balancing/consultations/

The current versions of the subject documents referred to in this report can be found at the following link:

www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicensestatements/

Appendix A - Revised ABSVD Document

Please see separate document.

Appendix B - Revised BPS Document

Please see separate document.

Appendix C - Revised BSAD Document

Please see separate document.

Appendix D - Revised Procurement Guidelines Document

Please see separate document.

Appendix E - Revised SMAF Document

Please see separate document.

Appendix F - Response Proforma

Please see separate document.