

Appendix B - Response Proforma

National Grid invites responses to this consultation by **8th March 2018**. The responses to the specific consultation questions (below) or any other aspect of this consultation can be provided by completing the following proforma.

Please return the completed proforma to balancingservices@nationalgrid.com

Respondent:	Tony McEntee
Company Name:	Electricity North West
Does this response contain confidential information? If yes, please specify.	No

No	Question	Response (Y/N)	Rationale
1	Do you agree that the changes proposed to the ABSVD, shown in Table 1 have been implemented correctly to the ABSVD methodology in Appendix A? If not, please provide rationale.	N	<p>We do not with the proposed changes in particular,</p> <ul style="list-style-type: none"> 1.8 Part C New part C to reflect arrangements for the provision of Non-BM ABSVD and. 1.10 Part E New part E to reflect methodology for calculation of ABSVD for Non-BM participants
2	Do you agree that the changes proposed to the ABSVD, shown in Table 1 and in Appendix A, should be made? If not, please provide rationale.	N	<p>We do not agree that changes to</p> <ul style="list-style-type: none"> Part C New part C to reflect arrangements for the provision of Non-BM ABSVD and Part E New part E to reflect methodology for calculation of ABSVD for Non-BM participants <p>should be made.</p> <p>Primarily, the amendments do not properly reflect services like CLASS which applies demand reductions at a system level which in effect are smeared across all suppliers based on their share of overall consumption. These effects are picked up through normal settlement processes in the Group Correction Factor. CLASS operates within normal voltage limits and any impacts are within the general forecasting risks of suppliers and are likely to be less than other inherent errors in the process such as metering errors, estimated readings, gross volume corrections, profiling errors, loss adjustment factor errors etc.</p> <p>If the general approach is maintained, the wording should be amended to exclude services such as CLASS where supplier volume adjustments are applied across all suppliers in a uniform manner.</p> <p>However, it is difficult to justify why these</p>

No	Question	Response (Y/N)	Rationale
			<p>amendments should be included at all. Customers are free to vary their demand at any time without any reference to suppliers which may impact a supplier's imbalance position over which they have no control. This will become more common as DSO services are introduced. Supplier volumes will be affected by these services, as they will by supply interruptions, customers buying new equipment including behind the meter generation and storage etc.,etc.</p> <p>It should be for suppliers to sort this with their customers, not for the industry to bring forward convoluted and unnecessary changes. The change seems add additional barriers to entry for new entrants into these markets and will have an adverse effect on competition.</p>
3	Do you have any other comments in relation to the changes proposed to the ABSVD?		The changes should not be made.