

C16 Annual Review

Annual Industry Consultation for 2019-20

Proposed revisions to the:

Procurement Guidelines

Balancing Principles Statement

Balancing Services Adjustment Data Methodology Statement

System Management Action Flagging Methodology Statement

Applicable Balancing Service Volume Data

21st January 2019



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Executive summary

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

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

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

The changes that are proposed to the documents this year relate mainly to the following areas:

- Review of the Procurement Guidelines
- Updates to services to ensure all are up to date
- Introduction of TERRE, where appropriate.
- Increased clarity and transparency where appropriate.
- Updates to reflect a legally separate National Grid Electricity System Operator

The changes to the above documents are detailed in Section 2 of this consultation and, if approved, will be effective from 1st April 2019.

NGESO welcomes industry views on the proposed changes and invites views on any other aspects of the subject documents for future consideration. Responses are required by Midday 18th February 2019. Details on how to make a response can be found in Section 3.

Following receipt of responses to this consultation, NGESO will prepare and submit a report to the Authority by 25th February 2019. The current versions of the C16 statements, this consultation, industry responses and the consultation report will all be published at the link below:

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

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

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



Colm Murphy

Electricity Market Change Delivery Manager
Warwick

Key Dates:

Consultation Response Deadline: 18th February 2019 Midday

Documents sent to Ofgem: 25th February 2019

Expected Ofgem Decision: 25th March 2019

C16 Documents Uploaded to NGESO Website: 29th March 2019



1

Introduction

Overview of C16 Process

The Review

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

The purpose of NGENSO's 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.

Changes

As a result of this review, NGENSO is proposing changes to the following documents:

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

These changes are primarily related to:

- Review of the Procurement Guidelines
- Introduction of TERRE where appropriate.
- Increased clarity and transparency.
- Updates to reflect a legally separate National Grid Electricity System Operator

A workshop was held on 6th December 2018 to gather stakeholder views on proposed changes and suggest new potential changes to the C16 documents. Information on this can be found in Section 2. Please note that the **changes proposed will go-live from the 1st April 2019.**

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

2019-20 Annual Update and Stakeholder Feedback

This consultation marks the beginning of the formal annual update process relating to the C16 statements and methodologies. Prior to this, three opportunities for feedback from stakeholders have taken place via two webinars and a stakeholder workshop. Feedback from these events have been captured in the Stakeholder Feedback section of this consultation document (pg. 24 onwards).

C16 Procurement Guidelines Webinar

This webinar was held on the 26th October 2018 and set up as introduction to the C16 process and Procurement Guidelines. This was our first event to begin engagement with stakeholders regarding the annual update process relating to the C16 statements and methodologies.

Follow up C16 Procurement Guidelines webinar

This webinar went into more detail about the review of Procurement Guidelines and was held on the 9th November 2018. It also aimed to give Stakeholders the opportunity to provide thoughts on the current Procurement Guidelines update and how they could be improved.

C16 Stakeholder Workshop prior to formal Consultation

The external workshop was held on the 6th December 2018. This was attended by stakeholders who represented a wide range of market participants. The aim was to discuss potential changes to be included in the 2018-19 annual update in more detail. The slides can be [found here](#).

Areas highlighted by NGESO and stakeholders were:

- A review of Procurement Guidelines. Such as explaining services in a more transparent manner, committing to procuring commercial services through market mechanisms where possible, alignment with the MBSS, updating service description and expectations for the year ahead. Lastly adding signposting to further service information on the ESO website.
- Changes to the BPS to refer to the principles around why we are using products available to the market. Also, adding clarity for certain products within the document.
- Changes to BSAD if the outcome of BSC modification P371 is known (which is the inclusion of non-BM fast reserve actions into the Imbalance Price calculation. More information can be found [here](#)).
- Providing more clarity within SMAF regarding tagging and interconnectors.
- Consideration of Enhanced Frequency Response (EFR) Service is needed.

The workshop was attended by 14 stakeholders from across industry. There was a lot of productive discussion around the proposed changes and wider feedback from attendees. In addition to the above bullet points, attendees raised other potential areas for change within the statements and methodologies. More information on the feedback given and NGESO's consideration of these, can be found in the Stakeholder Feedback section of this report.

Consideration of changes post 2019-20 update

There are a number of changes which will affect the future of Balancing Services and how they are procured. These include but are not limited to:

- European Network Codes: specifically, European Balancing Guideline (EBGL)
- Future of Balancing Services work being carried out by NGESO including product rationalisation
- As mentioned above, if no decision is reached before the consultation closes, the results of P371 may need to be introduced in to C16 methodologies during the year or during the next annual update.

As enduring solutions are developed for any new balancing services products, and as European Network Codes are implemented, it is anticipated that these changes would also flow through to the relevant C16 statements and methodologies. These are likely to form part of future annual update processes, however there is scope for ad-hoc updates should they be required within year.

Regarding EBGL in particular, Article 18 requires the Transmission System Operator to produce a set of terms and conditions for Balancing Service Providers (BSPs) and Balance Responsible parties (BRPs) which they must follow in order to provide services to us. These requirements already exist throughout the GB frameworks (codes and Standard Contract Terms (SCTs)) and so our proposal for A18 demonstrates that we are already compliant through a letter and mapping to the relevant places in our frameworks. You can view the proposal [here](#)

The EBGL also says that where amendments are made to these Ts and Cs, we need to follow a process which includes a consultation of at least 30 days, followed by submission to the regulator for approval. Where we have mapped parts of our existing frameworks to the A18 requirements, we need to follow this process. This means that we need to make some updates to our processes for code and SCT changes to ensure that we comply with this.

Ofgem have also informed NGENSO and stakeholders that they intend to request an amendment to the original proposal that was submitted. You can view this [here](#), specifically in the answer to question 7 of Ofgem's letter, which can be found in the previously mentioned link.

Once Ofgem initiate the amendment process, we will hold another public consultation on the updated proposal and will then re-submit to Ofgem for approval. They will have up to 2 months to make their decision

In terms of the removal of products as a result of the Future of Balancing Services work, these will be removed from the C16 statements and methodologies as contracts end. It is not anticipated that any of those named explicitly in the statements will expire prior to 1st April 2019 but this is likely to change for future annual updates.



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Proposed Changes

Details of proposed changes to C16 documents

Proposed changes to Procurement Guidelines

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

From April 2018, NGENSO has been under a new broader evaluative incentive scheme. Under this scheme NGENSO published a Forward Plan detailing what we were going to deliver over the next year (2018/19). One of these deliverables was the publication of an improved Procurement Guidelines. This falls under the role of managing system balancing and operability, Principle 2 and Principle 3 within our plan. Therefore, a review of the document has been undertaken.

The amendments proposed are:

- Publication of improved Procurement Guidelines (as per our Forward Plan Deliverable). Updates such as explaining services in a more transparent manner, committing to procuring commercial services through market mechanisms where possible, alignment with the MBSS, updating service description and expectations for the year ahead. Lastly, removal of Pre-Gate Closure BMU Transactions (PGBTs) following feedback and adding signposting to further service information on the ESO website.
- Dates updated and version number added
- Update National Grid Website reference
- Update of National Grid address

The proposed changes are detailed in Table 1 below:

ID	Purpose of Change	Reference	Change
1.1	Version Control	Title page	Change to Effective Date Change to Version Number
1.2		Page 3 version control table	Update to version control table
1.3	Webpage link change	Page 4	Update to new NGENSO webpage link
1.4	Address update	Page 4	Update to new NGENSO address
1.5	National Grid Reference	Part A	Update NGET reference to NGENSO
1.6	Updates proposed and following feedback	Part B	Ancillary services references in line with Grid Code, addition of alignment to ESO Forward Plan principles, more emphasis on using competitive processes in service procurement, removal of section 3 and additional information regarding taking actions outside of the BM.
1.7	Updates proposed and following feedback	Part C	Update to types of balancing services to be in line with the Grid Code, clearer categories of commercial services and further clarity on what we expect and don't expect to procure over the coming year, removal of section 2.4, update to section 3
1.8	Updates proposed and following feedback	Part D	Clarity added to section 1 on the Procurement Process and updates to following sections. Table 2 added

			which details Active Commercial Ancillary Services and Table 3 which looks at commercial services which are under review.
1.9	Updates proposed and following feedback	Part E	Added signpost links to specific areas on our website.

Consultation Questions

1. Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 1 have been implemented correctly to the Procurement Guidelines in Appendix A? If not, please provide rationale.
2. Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 1 and in Appendix A, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the Procurement Guidelines?

Proposed changes to BPS

The Balancing Principles Statement defines the broad principles of when and how we will use balancing services and other balancing actions to manage the system.

The amendments proposed are:

- Dates updated and version number added
- Update National Grid Website reference
- Update of National Grid address
- Clarity added on Response and future work being done in this area
- Update to expand applicability to market participants from BSC parties.
- Changes to the Max Gen service and removal of PGBTs.
- More clarity added on demand turn up and TERRE

The proposed changes are detailed in Table 2 below:

ID	Purpose of Change	Reference	Change
	Version Control	Title page	Change to Effective Date Change to Version Number
		Page 3 version control table	Update to version control table
	Webpage link change	Page 3	Update to new NGENSO webpage link
	Address update	Page 3/4	Update to new NGENSO address
	National Grid reference	Part A	Update to NGENSO and website reference
	Update service information	Part B	Update to Maximum Generation Service section
	Update following feedback	Part C	Removal of BSC parties to Market Participants, addition of trading on interconnectors to section 4 and more clarity on section 7. Removal of PGBT in section 10 to ensure consistency.
	Update to Response services	Part D	Clarity added to section 3.1 regarding response and future work. Section 3.2 updated to provide more information on Demand Turn Up and TERRE.

Consultation Questions

1. Do you agree that the changes proposed to the BPS, shown in Table 2 have been implemented correctly to the BPS in Appendix B? If not, please provide rationale.
2. Do you agree that the changes proposed to the BPS, shown in Table 2 and in Appendix B, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the BPS?

Proposed changes to BSAD

This document sets out the Balancing Services Adjustment Data methodology. It sets out the information on relevant balancing services that will be taken into account when determining the imbalance price.

The amendments proposed are:

- Dates updated and version number added
- Update National Grid Website reference
- Update of National Grid address
- Removal of PGBT reference

There are no major changes proposed to this document at this time however we need to consider BSC modifications proposal P371.

BSC Modification P371

In September 2018, BSC modification P371 was raised to seek to include Spin-Gen, Non-BM Fast Reserve and Non-Tendered Fast Reserve actions into the calculation of the Imbalance Price and extend the cash-out price arrangements to Fast Reserve. This modification is currently being developed by a BSC workgroup, with a proposed implementation date of April 2020. If this modification is approved and new data items are agreed to be included in the imbalance price calculation, we believe it would be of benefit for these data items to be included within the relevant section of the BSAD methodology. If appropriate we would include these changes in next year's update of the methodologies.

The proposed changes are detailed in Table 3 below:

ID	Purpose of Change	Reference	Change
	Version Control	Title page	Change to Effective Date Change to Version Number
		Page 4 version control table	Update to version control table
	Webpage link change	Page 4	Update to new NGENSO webpage link
	Address update	Page 5	Update to new NGENSO address
	Update following feedback	Page 10	Removal of PGBTs to ensure consistency

Consultation Questions

1. Do you agree that the changes proposed to the BSAD, shown in Table 3 have been implemented correctly to the BSAD in Appendix C? If not, please provide rationale.
2. Do you agree that the changes proposed to the BSAD, shown in Table 3 and in Appendix C, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the BSAD?

Proposed changes to SMAF

The System Management Action Flagging (SMAF) methodology sets out the means which NGENSO will use to identify balancing services that are for system management reasons.

The amendments proposed are:

- Dates updated and version number added
- Update National Grid Website reference
- Update of National Grid address
- Inclusion of Replacement Reserve.
- Removal of PGBT references.

The proposed changes are detailed in Table 4 below:

ID	Purpose of Change	Reference	Change
	Version Control	Title page	Change to Effective Date Change to Version Number
		Page 2 version control table	Update to version control table
	Webpage link change	Page 3	Update to new NGENSO webpage link
	Address update	Page 3	Update to new NGENSO address
	Addition of TERRE information	Section 2	Updated to include Replacement Reserve Acceptances.
	Remove reference to PGBT	Section 3	Remove reference to PGBTs to ensure consistency

Consultation Questions

1. Do you agree that the changes proposed to the SMAF, shown in Table 4 have been implemented correctly to the SMAF in Appendix D? If not, please provide rationale.
2. Do you agree that the changes proposed to the SMAF, shown in Table 4 and in Appendix D, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the SMAF?

Proposed changes to ABSVD

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

The amendments proposed are:

- Dates updated and version number added
- Update National Grid Website reference
- Update of National Grid address

The proposed changes are detailed in Table 5 below:

ID	Purpose of Change	Reference	Change
	Version Control	Title page	Change to Effective Date Change to Version Number Update to Appendix A note
		Page 2 version control table	Update to version control table
	Webpage link change	Page 3 & Part A	Update to new NGESO webpage link
	Address update	Page 3 & Part A	Update to new NGESO address
	Company reference update	Page 7 & Part A	Update 'National Grid' reference to NGESO reference as per the BSC.
	Address update	Part C Section 2	Update to new NGESO address
	Appendix 1 update	Page 27 onwards	Update above references for methodology that will be applicable from 2020 and included some wording on backing data (pg41)

Consultation Questions

1. Do you agree that the changes proposed to the ABSVD, shown in Table 5 have been implemented correctly to the ABSVD in Appendix E? If not, please provide rationale.
2. Do you agree that the changes proposed to the ABSVD, shown in Table 5 and in Appendix E, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the ABSVD?



3

Consultation Questions

Summary of questions and how to respond

Questions

The consultations questions are summarised below are also summarised in within the response pro forma in Appendix F.

Procurement Guidelines

1. Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 1 have been implemented correctly to the Procurement Guidelines in Appendix A? If not, please provide rationale.
2. Do you agree that the changes proposed to the Procurement Guidelines, shown in Table 1 and in Appendix A, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the Procurement Guidelines?

BPS

1. Do you agree that the changes proposed to the BPS, shown in Table 2 have been implemented correctly to the BPS in Appendix B? If not, please provide rationale.
2. Do you agree that the changes proposed to the BPS, shown in Table 2 and in Appendix B, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the BPS?

BSAD

1. Do you agree that the changes proposed to the BSAD, shown in Table 3 have been implemented correctly to the BSAD in Appendix C? If not, please provide rationale.
2. Do you agree that the changes proposed to the BSAD, shown in Table 3 and in Appendix C, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the BSAD?

SMAF

1. Do you agree that the changes proposed to the SMAF, shown in Table 4 have been implemented correctly to the SMAF in Appendix D? If not, please provide rationale.
2. Do you agree that the changes proposed to the SMAF, shown in Table 4 and in Appendix D, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the SMAF?

ABSVD

1. Do you agree that the changes proposed to the ABSVD, shown in Table 5 have been implemented correctly to the ABSVD in Appendix E? If not, please provide rationale.
2. Do you agree that the changes proposed to the ABSVD, shown in Table 5 and in Appendix E, should be made? If not, please provide rationale.
3. Do you have any other comments in relation to the changes proposed to the ABSVD?

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. Responses will not be accepted in any other format. This will allow us to conduct an efficient review of all the response within the strict timescales.

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

The consultation period for this document is 28 calendar days. Responses should be returned no later than **Midday 18th February 2019**. Following the consultation, a report will be produced and submitted to the Authority within seven calendar 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 2019.

Next Steps

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

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



A

Revised C16 Documents

Tracked Change

Appendix A: Procurement Guidelines detailed changes

Please see separate document - [here](#)

Appendix B: BPS detailed changes

Please see separate document - [here](#)

Appendix C: BSAD detailed changes

Please see separate document – [here](#)

Appendix D: SMAF detailed changes

Please see separate document - [here](#)

Appendix E: ABSVD detailed changes

Please see separate document - [here](#)

Appendix F: Response Pro-forma

Please download the document from [here](#) (under C16 consultations heading)

As mentioned previously, responses will not be accepted in any other format. This will allow us to conduct an efficient review of all the responses within the strict timescales.



B

Stakeholder Feedback

Detailed responses to Stakeholder Feedback

During the C16 workshop held on the 6th of December with stakeholders– NGESO discussed potential areas of change as detailed in the slide pack, which can be found [here](#). In addition to these areas, stakeholders were invited to propose other potential areas for change in the statements and methodologies. Some additional areas were identified for change in the 2018/19 update and a number of questions were asked. Responses to these are given below.

Document	Feedback	Action/Response
General	Has consideration been given regarding Electricity Balancing Guidelines (EBGL) and how this will impact the C16 statements and Grid Code changes	NGESO has fully considered the impact of EBGL on the C16 statements. We have provided some more information within the consultation report on page 6.
General	Check whether Grid Code updates or planned updates are in line with EBGL and SOGL.	Any changes or upcoming changes to the Grid Code for EBGL or SOGL can be found in the following location , by clicking on 'ENC Implementation Plan'.
General	There was a common view that TERRE products should be included, despite a Dec 2019 implementation, this gives market participants sufficient notice.	TERRE has been included in all documents where appropriate.
Procurement Guidelines	Information on how many bilateral contracts NGESO holds would be helpful. This could possibly go into the PG report.	The Monthly Balancing Services Summary (MBSS) document publishes commercial versus mandatory volumes. However, we are still looking in to the possibility of publishing more specific/detailed information on bilateral contracts.
Procurement Guidelines	The wording within the Procurement Guidelines needs to be more explicit about moving away from bilateral contracts and using market mechanisms/tenders.	Wording has been added into the Procurement Guidelines.
Procurement Guidelines	There needs to be more explanation on why NGESO need bilateral contracts so industry has a better understanding.	Wording has been added in to the Procurement Guidelines.
Procurement Guidelines	Put some high-level statements on what NGESO intend to do for the next year and try and signpost web locations or timelines.	Wording and links have been added in to the Procurement Guidelines.
Procurement Guidelines and Procurement	The Procurement Guideline Report reports volumes and cost only. There is no reference as to whether we (NGESO) has complied with the Procurement Guidelines and articulate any reasons for this. The Procurement Guidelines should tell industry what NGESO is going to do	We agree with this and we will aim to make these changes for the Procurement Guidelines and Procurement Guidelines Report issued in 2020/21. As this is quite a fundamental change, time needs to be

Guidelines Report	during the year and the Procurement Guideline report note what we did/didn't do during the year (against the guidelines) and why. The Procurement Guidelines should be a principles document on how NGESO should behave rather than how many MW NGESO needs. The annual report should then report if we have adhered to these principles.	given to make these changes in the appropriate manner.
Procurement Guidelines	An attendee raised the point that the guidelines are what NGESO needs to procure therefore technology type references can be removed.	The Procurement Guidelines have been updated to this effect.
Procurement Guidelines	Grid Code and Procurement Guidelines should be aligned regarding distinctions of services.	We have removed the reference to 'other Ancillary Services' and only talk about System Ancillary Services and Commercial Ancillary Services, in line with the Grid Code.
Procurement Guidelines	Regarding trials, there was feedback that clarity on what NGESO means by trial would be beneficial. Also, more information around the details and specifics of the trial would be beneficial to industry.	We have added a statement that trials will be reported in the Market Information Report or innovation documents.
Procurement Guidelines – Part B	An attendee suggested some wording for Part B that clearly states NGESO will do some sort of commercial procurement to see what is available first before looking into bilateral contracts.	Wording to this effect has been added to the Procurement Guidelines.
	Remove PGBTs as this product is not used.	This has been removed.
Procurement Guidelines – Part C & D	Add hyperlinks in the document to website locations.	This has been added.
	Overall feedback was to be stronger in our position for favouring market mechanisms, for example, only in exceptional circumstances, we will do something other than market route.	Added into Procurement Guidelines wording.
	Where NGESO introduce a new service, there should be wording that commits to contacting all providers. The present wording needs to be firmed up as nothing feels like a hard commitment. The inclusion of steps and processes would be beneficial.	At present, we will publish an invitation to all parties on our website, and then highlight this invitation through a number of channels, such as: Power Responsive website/events/ mailing list; Market Information Reports for relevant related services; Future of Balancing Services newsletter; mailshot to Future of Balancing Services subscribers; mailshot to providers of relevant related services; mailshot to contacts in industry trade associations; bilateral phone calls/emails with provider accounts. It would be counter-productive for NGESO not to tell potential participants when we have introduced a new balancing product or service, as it would limit competition and increase costs. It therefore seems

		unnecessary to introduce a hard commitment to contacting all providers as this is already being done through different channels to reach as much of industry as possible.
Procurement Guidelines – Part E	More links to the website would be helpful for industry. Also, ensure these links are links to the actual document rather than the page location.	It has not been possible to link to specific documents as they are often updated monthly so any link that is added will become out of date soon after publication.
Procurement Guidelines	An attendee suggested the addition of what sort of volumes NGESO are anticipating of Ancillary Services (AS) within the Procurement Guidelines for example an indication if there will be an increase/decrease/same. What impact does NGESO see/anticipate from new services of ones they are going to introduce? Does NGESO see it as replacing and existing or complimenting a current service? This information will help market participant understanding.	This is something that is being looked at as part of our incentive scheme suite of deliverables. This links to Principle 1 ‘Support market participants to make informed decisions by providing user-friendly, comprehensive and accurate information’ and will be delivered through this route.
Procurement Guidelines	Following the BSC modification P371 – more clarity and transparency on Spin Gen would be beneficial. As currently there is no consistency.	Spin Gen is used as a frequency control service, and sometimes for reserve. It is used to keep frequency within a range that ensures automatic frequency response is effective following a deviation. This will be considered along with the reserve review and also the work on system security. Therefore, this may need to be further considered next year.
Procurement Guidelines	Add narrative on how does this fit into one or more of NGESO principles. This adds clarity for industry on what is linked to which of NGESO'S principle deliverables.	Narrative has been added.
Procurement Guidelines	The feedback was that the year ahead report should provide: <ul style="list-style-type: none"> • Expected volumes of the particular ancillary services NGESO plan to purchase; • Details of how and when each product will be procured; • The decision criteria for selecting volume; • Details of bilateral contracts for each product and specifically when these end, how they will be dealt with in the future. 	Regarding this point, we don't plan to provide volumes, just high-level statements regarding services such as how and when each product will be procured to ensure the Procurement Guidelines remains a high-level document. Volumes are provided in website reports such as Market Information Reports. Regarding bilateral contracts, we have made a statement within the guidelines that we don't plan to buy through this route in the future. Our long-term plan is to reduce the volume of bilateral contracts.
Balancing Principles Statement	Revise wording as within the current market this does not just impact BSC parties. Wording of ‘other parties’ was suggested.	Updated in the drafting already, to ‘Market Participants’. This was agreed by attendees during the workshop.

Balancing Principles Statement	This document should represent a principle based approach rather than a list of services, keeping it high-level.	We agree with this and have amended wording to reflect this.
Balancing Principles Statement	Within Section 3.1, update wording that mandatory services are referred to in the Grid Code, this is not applicable to Commercial services (move wording around) Also, update the FCDM reference (to add consistency) – as this will no longer be a product from next year therefore this needs to be updated.	Updated as per comments and we have removed any reference to FCDM.
Balancing Principles Statement	NGESO could go in to more detail within the statement, noting different categories of response and have those NGESO are looking to procure in the Procurement Guidelines.	Included statement at the start of 3.1 .
General	Clarity on what is the more high-level documentation versus which documentation has more detail.	We have decided to look into this for next years' consultation as due to licence timeline restrictions, there is not enough time to do this in an effective way.
Balancing Principles Statement	The use of 'efficient and economic' wording was raised. The wording within SOGL is around 'reasonable, efficient and proportionate'. An attendee asked where they are covered within the statement.	Our view is that our licence obligation to operate the system in an efficient, economic and coordinated manner aligns with the requirements of SOGL, and therefore do not believe that a change in the C16 statements around this wording is necessary at this time.
Balancing Principles Statement	Check if NGESO need to propose changes to the Licence regarding SOGL.	We have been in touch with Ofgem and are awaiting a response.
Balancing Principles Statement	The Arbitrage section wording could be a misrepresentation of what is actually happening, more clarity or an update on this area would be beneficial.	We have updated the statement to reflect this comment.
Balancing Principles Statement	Regarding Part C paragraph 7, it would be useful to understand what NGESO mean by economic advantage – is this to ESO or consumers etc...? Secondly, in respect of words 'within the BM', are these words still appropriate? The assumption is that NGESO doesn't trade with anyone specific? The words 'economic advantage to consumers' could be used instead.	We have updated the statement to reflect this comment.
Balancing Principles Statement	Regarding Max gen, in the CUSC, if ERPS is a benchmark then as NGESO are not using it NGESO should remove it. If NGESO don't intend to procure any more then NGESO should write out to parties	Wording added to the statement to clarify the use of this service.

	contracted and see if they are happy to carry on. This, however, depends on terms of the contract.	
Balancing Principles Statement	Within Part C, what is meant by transmission losses? An attendee expects that this never happens – questions practical applications of it. It was suggested it would only happen when arming inter trips.	Transmission losses is a term that describes real power (MW) losses arising predominantly from the heating effect of assets. Practically, we have never needed to implement this option as the other choices have always come first, but we would use this option if the other choices were not available. It is one of the many considerations we use when managing the system in a safe, secure and economic manner. Therefore, we are going to leave this in the statement.
Balancing Principles Statement	'Have regard' wording (part C paragraph 2) – what about information being submitted by BSC parties and information sent over by non-BSC parties? For CACM and FCA need to take into account all information.	Completed via an above suggestion of using the words 'Market Participant'.
BSAD	BSAD doesn't list out specifically that NGENSO sent out Fast Reserve data – plan to make a statement in the consultation – if P371 were approved this will be included in consultation next year.	Updated lines for consultation document with position have been added.
BSAD	Further consideration of Buy Price Adjuster (BPA).	After looking into BPA in more detail, we have decided that this is something we will have to look into in more detail over the next year and so will aim to review this as part of next years' (2020-21) annual consultation.
BSAD	Wording on clarifying Spin Gen and increasing transparency on the direction of this service.	This will be considered along with the reserve review and also the work on system security. Therefore, this may need to be further considered next year following outcomes from this work.
SMAF	Maybe more reporting around trades on interconnectors (I/C) and RoCoF would be helpful.	We publish cost and volume information for RoCoF trades in the monthly MBSS report, we also publish trades on our website in near real time. In line with principle 1 of the NGENSO's incentives, we are working to improve the transparency of the actions we take. We will keep this under consideration over the next year and so will aim to review this as part of next years' (2020-21) annual consultation.
SMAF	Increase transparency around tagging in SMAF.	For the next SMAF Report (published in May/June 2019), we will provide more clarity on why we tag BOAs for System reasons and provide more detail on what a DIR is.

		<p>We cannot identify why system BOAs have been tagged as the data is not stored in our databases in that format. Therefore, if we were to do this it would take a considerable amount of time and resource.</p> <p>The SMAF report looks at how accurate the system flagging is, as opposed to why we flag the BOA as system.</p>
SMAF	CMP105 – reinstate publication of system issues report. This was stopped in Jan 2017, unilaterally withdrawn by NGENSO. Industry may welcome this back.	We are not familiar with this report but are looking in to it. This may be carried over to next years' C16 consultation to give us time to look into this report in more detail and understand if this will bring benefits to industry.
ABSVD	Attendees raised whether EFR needs to be considered within ABSVD	<p>The Enhanced Frequency Response (EFR) tender event closed in July 2016, accepting eight tenders providing 201 MW of EFR, with an average price of £9.44/MW of EFR/h. National Grid ESO does not notify ABSVD for the EFR service for the reasons below.</p> <ol style="list-style-type: none"> 1. The EFR service delivers active power to compensate for Low frequency & High frequency deviations, providing the extent of the deviation in system frequency exceeds the deadband range. Analysis of 12 months of system frequency data (Jan to Dec 2017), showed broadly equal number of Low frequency vs. High frequency deviations and their associated magnitude from the nominal 50Hz. ABSVD resultant from frequency deviations net out to approx. £1.9k for the 2017 calendar year. This analysis is based on ABSVD being applied by a straight line through the centre of the operating envelope for a 10MW unit). 2. Providers are paid a fixed availability rate to deliver the EFR service in its entirety for

		<p>National Grid ESO. Providers are not paid a Utilisation rate for energy delivered for the service. ABSVD if implemented would make up a small portion of the imbalance cost, with other impacts; energy losses, State of Charge management and outturn cash-out prices.</p> <p>Therefore, we will not be adding the EFR service into the ABSVD methodology.</p>
ABSVD	Check that NGESO is building these considerations (e.g. impact on ABSVD) into work when developing new services.	We can confirm that energy payments and ABSVD will be considered as part of the future product development work.
ABSVD	Source of backing data – clarify that this data is a result of metering data. Question raised on verifying MPAN data.	<p>The source of backing data has been addressed in updated text.</p> <p>Within the Elexon P354 business requirements available at https://www.elexon.co.uk/mod-proposal/p354/ it states “SVAA to obtain details of Supplier, Half Hourly Data Aggregator (HHDA) and Grid Supply Point (GSP) Group for each Eligible Metering System from the Electricity Central Online Enquiry Service (ECOES)2, or other source agreed by the Panel, and to populate SVAA with this data before the P354 Implementation Date, for the purposes of establishing the "SVA Metering System Balancing Services Register";”</p>
Other	Ensure it is clear in consultation that people are aware that these changes will go live from April 2019.	This has been added.

