Public

NESO Balancing Mechanism "Wider Access" Onboarding and Registration Guidance

A guide to entering the Balancing Mechanism

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Version Control

Version	Published	Comments
0.1	12 August 2024	New updated guidance and links
0.2	17 February 2025	Updated to reflect migration of process to Single Markets Platform
0.3	25 February 2025	Updated links to SMP guidance document

Introduction

NESO enabled Wider Access to the Balancing Mechanism by creating a new route to market in 2019, this has promoted competition and provided the Electricity National Control Centre (ENCC) with greater access to flexibility.

Wider Access is continuing to lower cost to consumers, improve quality of service and contribute towards zero carbon operation of Great Britain's electricity system.

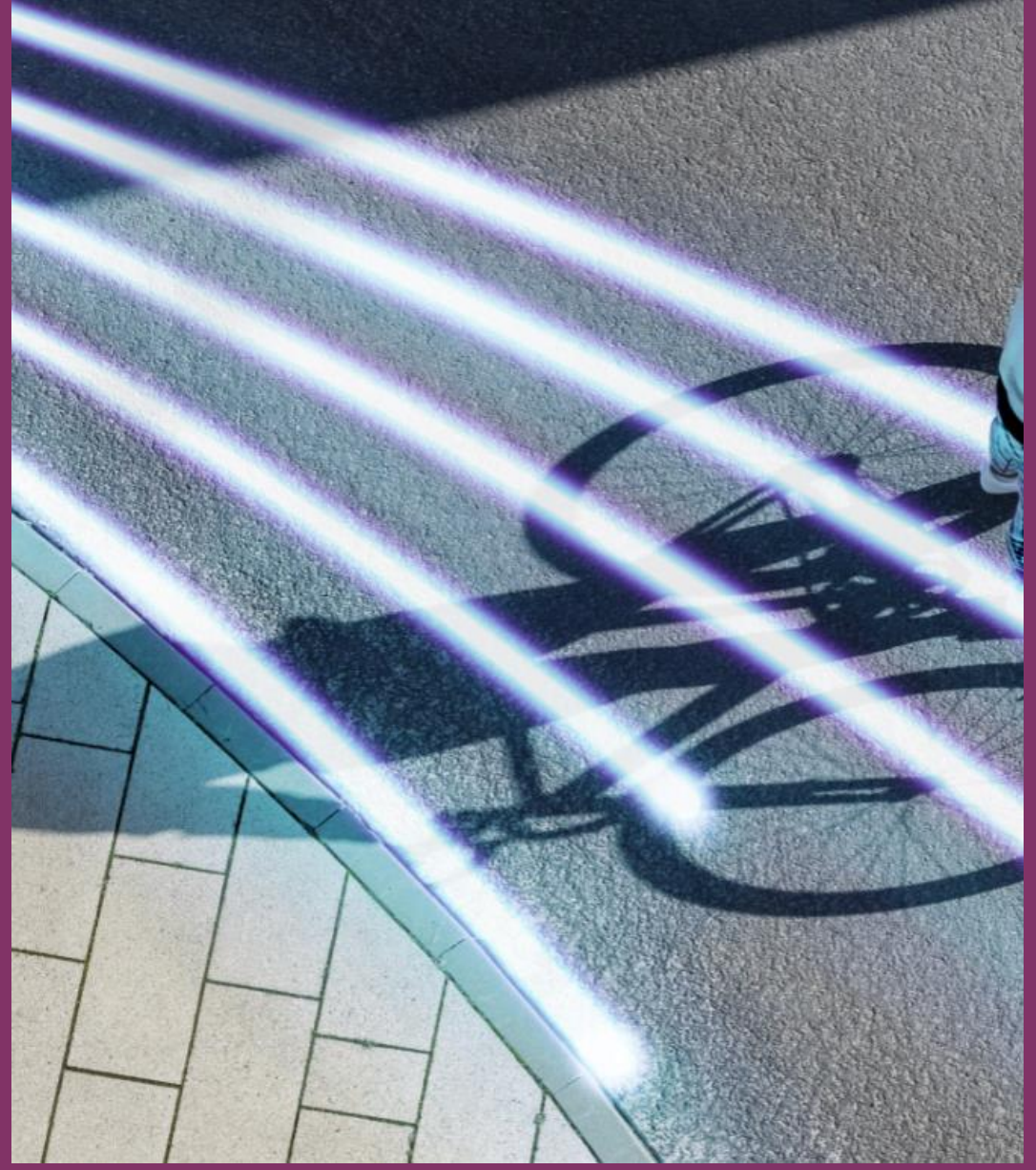
NESO has removed barriers to market by:

Improving existing routes to market via the Supplier (SVA) route

Developed new routes to market through framework changes

Enhanced and developed new IT systems to improve data flows between NESO and market participants so that they are more efficient and effective.

Introduced Small Aggregated Asset (SAA) Metering Capacity Route



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1. Routes to BM Access

This section explains the different routes for entering the Balancing Mechanism

1. Routes to BM

1.1 Introduction to Different Routes

There are currently 3 routes for entering the BM:

- ✓ The traditional route is via NESO's Connections team who will guide you through this process. This requires a NESO Connection Agreement – BCA, BEGA, BELLA
- ✓ Supplier route, a Supply License must be held, and CUSC accession and Supplier Agreement with NESO is required.
- ✓ The final route is as a Virtual Lead Party, CUSC accession and VLP Agreement with NESO is required.

Route	Contract	BMU Type	Relevant NGESO team
Traditional	Connection Agreement. Registered as a Primary Balancing Mechanism Unit (BMU).	Primary (PBMU)	Connections Team transmissionconnections@nationalenergyso.com
Supplier	Registered Supplier and Additional Supplier BMUs created.	Supplier (ABMU)	Commercial Operation / (Contract Manager) – commercial.operation@nationalenergyso.com
Virtual Lead Party	Registered and completed through our new electronic portal. Parties sign a VLP agreement, and units register as secondary BMU's.	Secondary (SBMU)	Commercial Operation / (Contract Manager) – commercial.operation@nationalenergyso.com

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1.2 Traditional Route

The traditional route requires signing a NESO Connection Agreement. These take the form of:

✓Bilateral Connection Agreement (BCA)

✓Bilateral Embedded Generation Agreement (BEGA)

✓Bilateral Embedded License Exemptible Large Power Station Agreement (BELLA)

Note - BCAs are for new connections to the National Electricity Transmission System (NETS). Embedded generators 50MW or over (not aggregated) can enter either a BEGA or a BELLA (depending on location).

The Connections Team are responsible for taking parties through the connection process to go live within the BM. Please visit the Connections Team website for some more information.

Through this process parties will be required to accede to the Connections Use of System Code (CUSC), through NESO and the Balancing and Settlement Code (BSC) through Elexon.

1.3 Supplier Route

✓The supplier route requires a party to have a Supply Licence and be a registered supplier with Elexon who will issue 14 base BMU's. Parties **cannot** use these base BMU's to actively participate.

✓Parties will be required to register Additional BMUs to actively participate. Under this route aggregation is permitted but is limited to Grid Supply Point Groups (Distribution Network Owner areas). The minimum size for a unit is 1MW.

✓Commercial Operations/Contract Managers can share the agreement required to actively participate with Additional Supplier BMU's. This includes an appendix outlining the various technical and Grid Code requirements. The Connections Team will process this agreement. More information can be found here

✓Through this process parties will be required to accede to the Connections Use of System Code (CUSC), through NESO and the Balancing and Settlement Code (BSC) through Elexon.

1.4 Virtual Lead Party Route

✓This route requires registration as a VLP through the NESO Single Markets Platform. Parties will register Secondary BMUs with both NESO and Elexon. The minimum size for a Secondary BMU is 1MW, and these can be aggregated within GSP Group.

✓Commercial Operations/Contract Managers can share the VLP agreement required to actively participate with Secondary BMUs. This includes an appendix outlining the various technical and Grid Code requirements. The Connections Team will process this agreement. Further Information and guidance for signing these agreements can be found here

✓Through this process parties will be required to accede to the Connections Use of System Code (CUSC), through NESO and the Balancing and Settlement Code (BSC) through Elexon.

1.5 SAA Metering Capacity

As part of our ongoing commitment to remove barriers to participation in Distributed Flexibility, NESO has agreed to admit up to 300MW of small aggregated assets with relaxed metering requirements into the Balancing Mechanism (BM).

✓This allows for greater consumer participation in flexibility, allowing capacity from small scale assets, such as EV chargers and electric heating systems, to be used to balance the electricity system in real time by our control room. To enable this development, we will be allowing this capped cohort of assets - each with an individual capacity of less than 1MW - into the BM as part of an aggregated unit with relaxed requirements for operational metering.

✓Currently, the BAU standard requires metering for assets in the BM to deliver readings every second with an accuracy of +/- 1%. Following the Power Responsive trial , SAA Metering Capacity has relaxed operational metering standards to allow small scale aggregated assets into the BM at, of +/-2.5% and 60-second metering reads. Guidance can be found here.

✓You will be required to sign a Supplier or VLP SAA Metering Capacity Agreement, which captures these relaxed metering standards. Please reach out to the Balancing Programme for more information - box.balancingprogramme@nationalenergyso.com

2. Onboarding and Registration

This section explains what parties need to consider and steps involved with BM unit registration.

2. Onboarding and Registration

2.1	Introduction to Registration
2.2	Supplier Registration
2.3	Virtual Lead Party Registration
2.4	Elexon Registration
2.5	Registration Type/Timescales

2.1 Introduction to Registration

✓Once parties have chosen the appropriate access route, they are required to register with both NESO and Elexon. This section outlines the steps required to register and relevant supporting information.

✓Parties seeking the Traditional route via a NESO Connection Agreement will be assigned a Connections Contract Manager (CCM) to take them through this process. The rest of the document is predominantly aimed towards the Supplier and VLP route.

✓Please be aware that under the European codes, Supplier and VLP registration timelines can take up to 5 months in total for the end-to-end process. We advise progressing discussions as early as possible, creating and registering the BM units in NESO systems takes 2-3 months as part of this process.

✓ Our BM Registration Guidance document found here outlines these timelines in more detail.

2.2 Supplier Registration

Parties interested in the supplier route will be required to register additional supplier BMU's with NESO and Elexon. These can run in parallel, but conversations should take place with Commercial Operations/Contract Manager as early as possible as NESO will allocate the unit ID.

- ✓ Review the BM Registration Guidance Document.
- ✓ Ensure all the relevant agreements are in place – Supplier Use of System Agreement and CUSC.
- ✓ Engage with Contract Manager/BM Registration Team to review the unit details. Advice provided regarding the options around structuring BMUs.
- ✓ Complete an additional BMU Registration application for each of the ABMU(s) you are looking to register via the Single Markets Platform
- ✓ The BM Registration Team will create and provide your additional BMU ID(s) and approve your application.
- ✓ Register BMU with Elexon. This process can run in parallel to NESO registration process. Section 2.4 expands on Elexon registration.

2.3 Virtual Lead Party Registration

✓Parties interested in the VLP route will be required to accede to the CUSC and the BSC. You will also need to have a VLP Agreement with NESO in place.

✓Parties will need to create an account in the Single Markets Platform (please click here to create an account). The Single Markets Platform (SMP) Guidance Document is on the website here and will help you complete your registration.

✓ You will need to build your application and formally submit this application to NESO. Guidance on how to build your application can be found here

✓ Please do ensure you notify Commercial Operation of your intent to apply so that the relevant Contract Manager can assist you with your application. The team can be contacted at commercial.operation@nationalenergyso.com

✓The NESO cost of becoming a VLP is £5000 plus VAT. Please visit the Connections website for more guidance.

✓Further documents and guidance to help are on the Wider Access Webpage which is here

2.4 Elexon Registration

✓During the NESO registration process parties will also be required to complete the necessary registration steps with Elexon. These processes can run in parallel.

✓The forms required are outlined in the BM Registration Guidance Document. These can also be completed via the Kinnect Portal.

✓For more information regarding the Elexon registration steps, costs and timescales please visit the Elexon website.

✓Additional information regarding BMUs can also be found here.

✓Please follow this link to learn specifically about VLP registration with Elexon.

✓For parties looking to be an Asset Metered VLP (AMVLP) please contact the market entry team at Elexon to understand requirements. The onboarding and registration process with NESO is the same as a VLP.

✓For parties looking at becoming a Virtual Trading Party (VTP), please speak to Elexon. A VTP role alone cannot participate in the BM. To be in the BM, you would need to also become a VLP.

✓Please contact Elexon for more information on AMVLP and VTP - market.entry@elexon.co.uk

2.5 Registration Type and Timeline

Registration Type	Action	Timeline
New provider and new BMU	**VLP** – Input data into Salesforce **SUPPLIER** – Submit data to Account Manager and BMU Registration Team (Offline) **Traditional** – Submit data through Connection Contract Manager and BMU Registration Team (Offline)	• **VLP** - Once application is submitted to NESO via Single Markets Platform, we have 8 weeks to approve. When the application is approved, the NESO SBMU ID is created. The remaining 3 months are for installation of systems (e.g. EDL/EDT, operational metering) and registration with Elexon, ahead of upload into BM systems. • **Supplier** – Once application is submitted to NESO via Single Markets Platform The BM Registration Team will provide your NESO ABMU ID. EDL/EDT operational metering and Elexon registration required ahead of upload into NESO BM systems. • **Traditional** – Please speak to Connections.
Already registered provider with a new BMU	**VLP** – Salesforce process **SVA** – Offline process **Traditional** – Offline process	• **VLP** - New units require new application as above. The 3 months are not applicable, if systems are already installed, however Elexon and operational metering are required for the new BMU. • **Supplier** – same as above. The 3 months are not applicable, if systems are already installed, however Elexon and operational metering are required for the new BMU. • **Traditional** – Please speak to Connections.
Changes to an existing BMU	**VLP** – Contact Contract Manager **SUPPLIER** – Contact Contract Manager **Traditional** – Contact Contract Manager in Connections	• Contact Commercial Operation/Contract Manager and BMU Registration Team who will advise the process depending on the changes required.

3. Systems required for BM Participation

This section outlines system requirements to be active in the BM.

3. Systems required for BM

3.1 Introduction to System Requirements

There are several systems required before a unit can become active in the BM to ensure they have the ability to communicate with the Electricity National Control Centre (ENCC). These systems are described in the following slides.

✓Electronic Dispatch Logging (EDL)

✓Electronic Data Transfer (EDT) and Control/System Telephony

✓Operational Metering data submission

In addition to communication systems and operational metering, providers also need to submit certain data sets for reporting purposes. These are flagged in the end of this section under Reporting 3.4.

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3.2 Control Room Communications

Electronic Data Transfer (EDT) and Electronic Dispatch Logging (EDL) are 2 systems which are used for control communications.

EDT allows the BMU to submit technical and commercial parameters about the unit and EDL allows the ENCC to send instructions to the BMU.

To ensure the appropriate communications systems are in place parties can:

✓Utilise an existing connection that your business already has.

✓Utilise another company's connection with their agreement.

✓Use a third-party software provider connection

✓Use the WA API – either a third-party software connection or you can develop this connection to ESO yourself

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3.3 Operational Metering

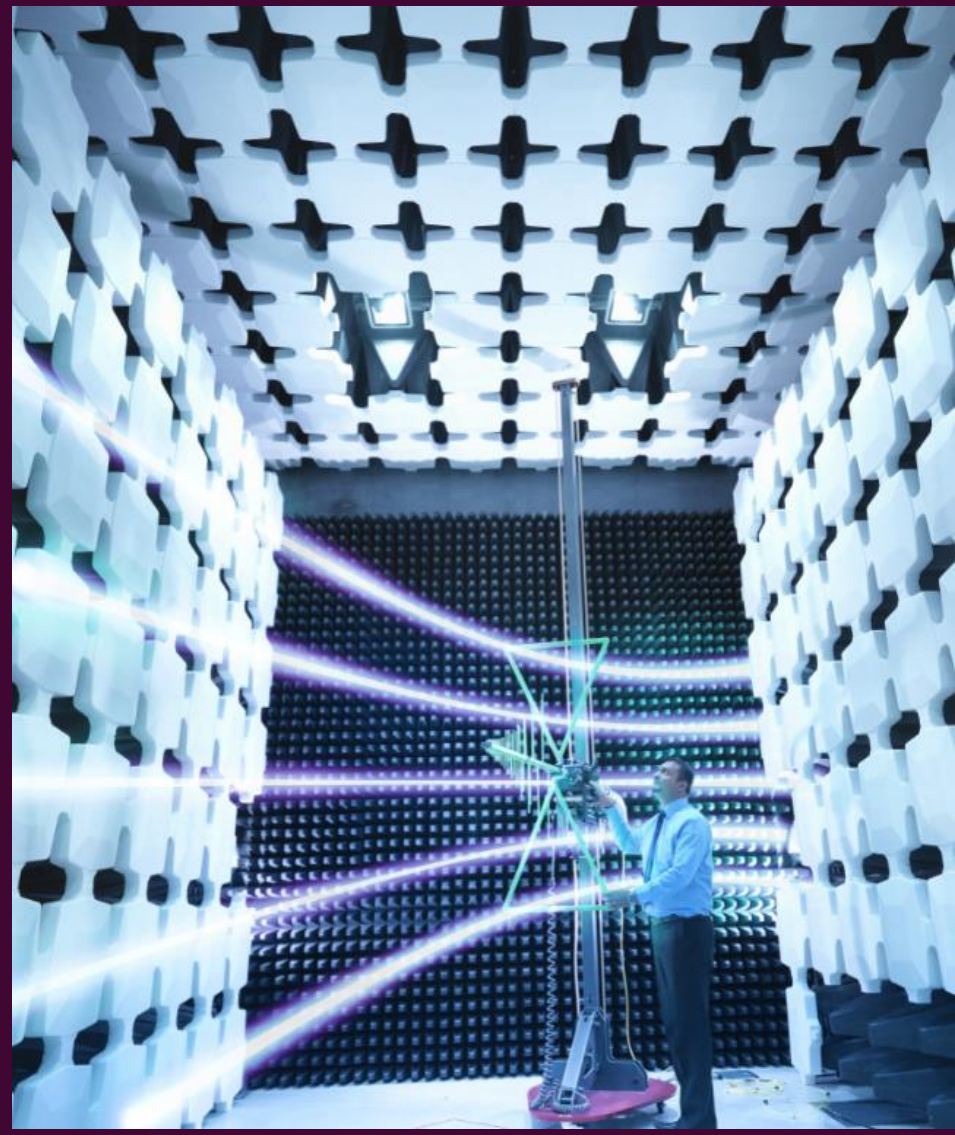
Active BMU's are required to supply operational metering data on the volumes they deliver, with variations depending on the type of generating technology.

Further guidance on operational metering can be found on the Wider Access webpage here.

Operational Metering guidance for <100MW assets can be found here on the website.

Communication Standards Document is available on the website here.

Once you have started your registration, you need to contact box.smallbmuopsmeterneso@nationalenergyso.com as soon as possible to start the process of integrating into the operational metering system as this will take some time.



3.4 Industry Reporting

NESO operates the MODIS system to report market data for compliance with the European Transparency (ETR) and REMIT regulations. This includes unavailability data for generating and consumption units from Market Participants relating to Articles 7 and 15 of the ETR regulation.

This information is forwarded to ELEXON who publish BM Reports and share with ENTSO-e for publication on the European Transparency Platform.

Before submitting this data, participants need to request EIC (Energy Identification) Codes through our Local Issuing Office (LIO) – details here: LIO for EIC codes | National Energy System Operator

Once codes have been allocated, participants can contact our MODIS team at: Box.MODIS.Business@nationalenergyso.com to arrange the setup of new units for new ETR and REMIT data submission.

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4. FAQs and Surgeries

We have begun hosting monthly surgeries in relation to Onboarding, Registration, Operational Metering and associated processes.

These surgeries are for market participants who themselves are bringing assets to market to gain further insight and understanding of NESO onboarding and registration processes and timescales.

You can submit questions during the session, all recordings and FAQs are published on the Wider Access webpage which can be found here

To get involved please contact:

box.onboarding-qanda@nationalenergyso.com

Contact Us

If you wish to know more about making a Wider Access application, please contact us on the email address below. Also, please provide us with any feedback on this document and let us know about anything else that would be helpful.

Thank you

commercial.operation@nationalenergyso.com