

**C16 Additional Review:
Additional Industry Consultation for Balancing
Service Adjustment Data (BSAD) Methodology
Statement for 2021/22**

**Proposed revisions to the: BSAD Methodology
C16 Statement**

22nd March 2021

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Executive Summary

This consultation has been produced under Condition C16 of the Transmission Licence to undertake a further review of National Grid Electricity System Operator's (NGESO) Balancing Service Adjustment Data (BSAD) Methodology C16 Statement.

In accordance with Standard Condition C16 of its Electricity Transmission Licence, the annual review of all licence statements has concluded and approval of NGESO's annual report has been received from the Authority (Ofgem). All approved changes to the C16 Statements changes will become effective from 1st April 2021.

Although changes have been made to the Procurement Guidelines to reflect how the Optional Downward Flexibility Management (ODFM) product will be procured during 2021/22, stakeholders have informed us that if we use the ODFM service, they would like us to ensure that the usage of the product is fed into cashout pricing. Although we consider it unlikely that we will use ODFM, we understand the concerns raised and have identified a process to facilitate including this in the Balancing Services Adjustment Data (BSAD) sent to Elexon.

To best facilitate this, and to provide transparency to the market, NGESO will now run this further consultation to ensure market participants are aware of the new proposed change and have an opportunity to provide feedback. This consultation provides an opportunity for any further industry views on the proposed changes.

We have updated the BSAD Methodology Statement to give effect to this. The changes to the Statement are detailed in the Proposed Changes section of this consultation and will be effective by 19th May 2021 unless approved earlier or vetoed by the Authority.

NGESO welcomes industry views on the proposed changes. Responses are required by close of play on the 19th April 2021. Details on how to make a response can be found in the Consultation Questions section.

Following receipt of responses to this consultation, NGESO will prepare and submit a report to the Authority by the 21st April 2021.

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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Expected Dates:
Official Consultation Release:
22nd March 2021
Official Consultation Deadline:
19th April 2021
Documents sent to Ofgem:
21st April 2021
Ofgem Direction:
on/before 19th May 2021
Revised C16 Statement go live:
on/before 19th May 2021

Background

In accordance with Standard Condition 16 (C16) of its Transmission Licence, NGENSO has concluded its annual review of all licence statements, the updated statements have been approved by the Authority (Ofgem) and are effective 1st April 2021. This consultation is an additional consultation to the annual process and is due to further changes being made to the Balancing Services Adjustment Data Methodology (BSAD) Statement after the industry consultation had closed.

Background to this change relates to the EBGL Article 18 Optional Downward Flexibility Management (ODFM) Consultation on terms and conditions related to balancing. The service is planned to go live at 23:00 Friday 30th April 2021. For more information, please review at the link below:

<https://www.nationalgrideso.com/industry-information/codes/european-network-codes-old/meetings/consultation-open-ebgl-article-18-1>

The consultation closed on 15th March 2021. NGENSO are preparing to publish responses to the consultation following its conclusion.

Proposed Changes

Stakeholders have informed us that if we use the ODFM service, they would like us to ensure that the usage of the product is fed into cashout pricing. Although we consider it unlikely that we will use ODFM, we understand the concerns raised and have identified a process to facilitate including this in the Balancing Services Adjustment Data (BSAD) sent to Elexon.

Please also note a housekeeping change in Part C Section 1 of the BSAD Methodology Statement. Currently the text states 're-submission(s) of BSAD as described in section 7'. This should read section 3 and not section 7.

Please refer to the detail of the changes within 'BSAD Methodology Statement track changed for consultation' document which can be found at the link below.

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

Timelines

Responses are required by close of play on the 19th April 2021. Details on how to make a response can be found in the Consultation Questions section.

Following receipt of responses to this consultation, NGENSO will prepare and submit a report to the Authority by the 21st April 2021.

The changes will be effective by 19th May 2021 unless approved earlier or vetoed by the Authority.

The Consultation

The Questions

We invite industry to provide further feedback on the changes proposed to the BSAD Methodology C16 Statement. The consultation questions are summarised below and summarised within the response proforma in Appendix A.

BSAD Methodology C16 Statement

- 1) Do you agree with the proposed changes to the BSAD Methodology C16 Statement, shown in the Appendix, regarding the ODFM service? Please provide any rationale.
- 2) Are there any further changes you believe need to be made to the BSAD methodology statement 2021/22? 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 close of play 19th April 2021.

Appendix A: Response Proforma

Please see separate document - [Here](#)

Consultation Response Proforma

C16 Additional Review BSAD Methodology Consultation

Appendix A

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to balancingservices@nationalgrideso.com by **5pm on the 19th April 2021**

If you have any queries on the content of this consultation, please contact balancingservices@nationalgrideso.com

If you are using the above hyperlink to respond, please check that the “s” at the end of “balancingservices” populates.

Respondent details	Please enter your details
Respondent name:	Click or tap here to enter text.
Company name:	Click or tap here to enter text.
Email address:	Click or tap here to enter text.
Phone number:	Click or tap here to enter text.
Does this response contain confidential information? If yes, please specify	Click or tap here to enter text.

Please express your views regarding the consultation in the right-hand side of the table below, including your rationale.

BSAD		
1	Do you agree with the proposed changes to the BSAD? Please provide any rationale	Click or tap here to enter text.
2	Are there any further changes you believe need to be made to the BSAD for April 2021? Please provide rationale	Click or tap here to enter text.

