

CUSC Workgroup Consultation Response Proforma**CMP326 'Introducing a 'Turbine Availability Factor' for use in Frequency Response Capacity Calculation for Power Park Modules (PPMs)'**

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 cusc.team@nationalgrideso.com by **5pm on 22 February 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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For reference the Applicable CUSC (non-charging) Objectives are:

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- b) *Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- d) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

For reference, the Electricity Balancing Guideline (EBGL) Article 3 (Objectives and regulatory aspects) are:**1. This Regulation aims at:**

- (a) *Fostering effective competition, non-discrimination and transparency in balancing markets;*
- (b) *enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- (c) *integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- (d) *contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*

- (e) *ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- (f) *facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- (g) *facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

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

CMP326 - Standard Workgroup Consultation questions		
1	Do you believe that the CMP326 Original Proposal better facilitates the Applicable Objectives? Please provide justification for your responses?	We believe that the CMP326 Original Proposal better facilitates Applicable Objective (a). This is because the proposed change will ensure that the Holding Payments made by NGESO in respect of Frequency Response for Power Park Modules (PPM) will be fully reflective of the true response capability and level of service the site provides.
2	Do you support the proposed implementation approach for CMP326?	<p>Yes, we support the proposed implementation approach given the scale of the initial expected cost savings and that the required functionality can be introduced for minimal cost and incorporated as part of the build/scope for NGESO's replacement Ancillary Services Business (ASB) system. This approach would allow the change to be included in the system with an effective from date, for example 01/9/22. As all payments follow a standard payment calendar as per the CUSC (i.e. services supplied in Sep-22 are issued a preliminary statement on 8th working day of the following month, a final statement on 18th working day of the following month and then payment follows 3 working days after the final statement) this would mean that any service/response on or after 01/09/22 would be settled taking into account the cap in the calculation (where applicable) with any service supplied prior to this i.e. 31/08/22 being settled using the previous calculation.</p> <p>Since publication of the Workgroup consultation, NGESO and industry have undertaken further work to review the concerns</p>

		<p>raised around the mismatch between the response capability data windfarms hold versus that of the Power Available (PA) signal and how this may result in windfarms either not being instructed for Frequency Response or the potential for reduced Holding Payments being made using PA signals. Although there are interactions, the issue around data and the proposed change to the calculation are separate issues with only the latter being covered by the scope of the Original Proposal defect. However, we believe that to make the calculation change the data defects need to be addressed beforehand and as such believe that it may be prudent to delay implementation slightly, to December 2022, to ensure adequate time to resolve any issues relating to data pre system go live.</p> <p>We expect that as the proposed change will be incorporated within the build/scope for the replacement of NGESO's ASB system that system impacts will be minimal.</p> <p>Please note; we consider that the above additional detail regards implementation should be captured in the Workgroup report.</p>
3	Do you have any other comments?	As detailed in the Workgroup consultation we believe that as the NGESO control room develops more projects to enable renewables generators to play a larger role in the balancing services market, this will in turn enable a greater volume of wind to be instructed for Frequency Response, and as such the need to address the issue around the true response capability of PPMs being reflected in settlement payments will become greater.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No, we are satisfied with the Original Proposal
Specific Workgroup Consultation Questions		
5	Do you concur with the CMP326 Workgroup's initial conclusions as set	Yes, we agree with the Workgroup's initial conclusions as set out in the Workgroup Consultation.

	out in the “Workgroup Considerations” section?	
6	Will the CMP326 Original Proposal impact on your business. If so, how?	We expect system impacts to be minimal as the proposed change will be incorporated within the build/scope for the replacement of NGESO’s ASB system.
7.	Do you agree that CMP326 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC?	We consider that the changes to CUSC to be introduced as part of the CMP326 Original Proposal do interact with the EBGL Terms and Conditions and as such should follow the procedures under the CUSC administration process.
8.	Do you have any comments on the impact of CMP326 on the EBGL objectives under Article 3?	We consider that the CMP326 Original Proposal will better facilitate the EGBL objective (a) under Article 3. This is because we believe that accurately reflecting the true response capability in Holding Payments will potentially encourage PPMs to improve turbine availability (if and where possible) and/or provide more accurate data to the NGESO control room. This may result in greater usage of PPMs for Frequency Response which should drive competition in balancing services market (i.e. with other services such as Frequency Containment Reserve (FCR) and Frequency Restoration Reserve (FRR)).