



Balancing Reserve Webinar

7 February 2023

- **The webinar will start shortly**
- **Please make sure your microphone is muted and your camera is turned off**

Agenda

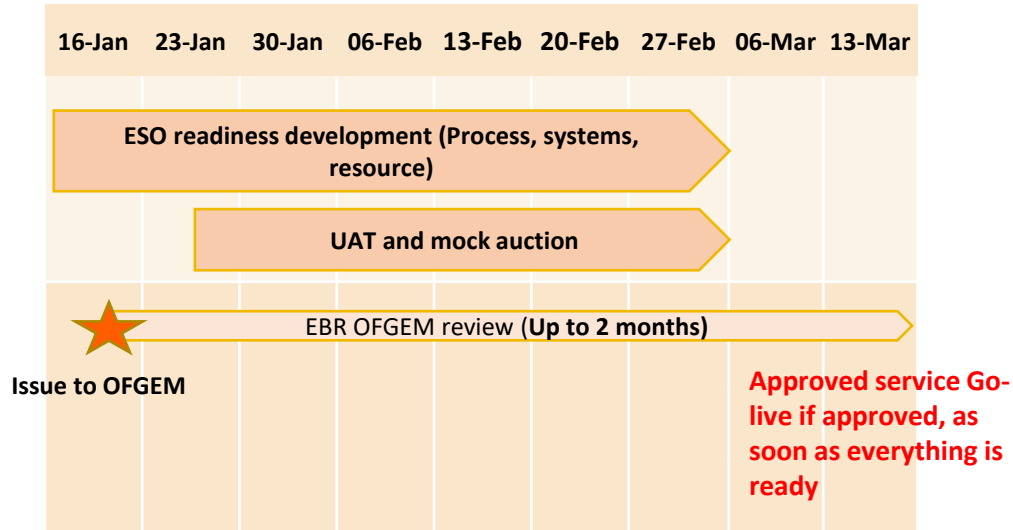
Topic	Presenter	Timing
Welcome and Housekeeping	Yuting	10.00-10.05
Project Update	Mike	10.05-10.15
LCP Report	Will	10.15-10.20
BR Auction Overview	Charlie	10.20-10.25
Provider Onboarding: <ul style="list-style-type: none">• SMP• Auction and bidding• Mock Auctions	Shubhangi	10.25-10.40
Single Market Platform Demonstration	Alasdair	
API & Provider User Interface (UI) Onboarding	Sandeep/Stephen	
Settlements Process	Jeremy	
Next Steps	Yuting	10.40-10.45
Questions & Answers Close	Vicci	10.45-10.55 (ESO will continue after this time if needed to answer more questions)

Project Update



Project Update

Timelines



Key Indicative Dates:

RBS Official Consultation Release: **02 February 2023**

RBS Official Consultation Deadline: **02 March 2023**

Anticipated Ofgem Veto/Direction: **06 April 2023**

Updated RBS Guidelines Go live by/before: **13 April 2023**

Capacity Market Arrangements

ESO are currently consulting to add Balancing Reserve to the list of [Relevant Balancing Services \(RBS\)](#):

- Following a Capacity Market Notice (CMN) we would expect all BR providers to maintain their headroom as per their BR contract. The ESO control room is likely to dispatch them to help meet demand.
- CMNs are automatically sent out whenever the margin calculation indicates that margins are within a certain range.
- Once BR is added to the list of RBS the CM penalty calculation will be adjusted for BR units and take into account that they were delivering a Relevant Balancing Service. Until BR is on the list then providers are at risk of a CM penalty if a System Stress Event occurs 4 hours following a CMN.
- No System Stress Events have occurred and the CMN is usually withdrawn.

We appreciate this creates a risk for BR market participants who also hold Capacity Market Agreements during the first few weeks of BR auctions before the RBS list is updated.

Service Development

Design Evolution

Through the first 2 webinars, we updated a number of service design elements to incorporate industry feedback:

- Service windows reduced to 30 minutes
- Minimum ramp rate reduced to 10 MW/min
- Remove Large Power Station requirement

We're grateful for the time taken to engage in short timescales with this process

Future Developments

- Negative Balancing Reserve procurement

We have heard the feedback throughout the webinars and consultation around further developments, particularly around the removal of the 50MW cap which is our main future focus, and **we will hold a further Webinar in early May** to:

- Update on progress with our IT delivery
- Outline any other proposed developments for review
- Listen and learn from the first two months of BR operation

We appreciate the feedback that we have received showing understanding of the reasoning for our design decisions

LCP Report – Balancing Reserve CBA

- We asked LCP to model the impact of Balancing Reserve due to their significant market expertise.
- LCP forecast the end consumer savings to be ~£900m over the next 3 years.
- We have designed the service so we can implement quickly to maximise savings.
- We recognise that the service can be improved and are working hard to widen participation.
- However by implementing early we save >£200m.
- The LCP Report can be found [on our website link here](#)



Balancing Reserve Auction Overview



BR Auction Overview

- **Auction Background**

- Existing platforms (Epex/Salesforce etc) would not deliver BR in the timelines required to bring the product to Market quickly and would need to be redeveloped when the Enduring Auction Capability is delivered later in 2023.
- BR uses ESO's chosen strategic auction platform with an in-house wrapper around it to bring the solution to market quickly and cost-effectively.
 - This will allow Balancing Reserve to easily coalesce with the fully featured Enduring Auction Capability.

- **Auction Timing**

- Bids can be submitted up to one week in advance and up to 08:15 on the day of the auction

- **BR Requirement Publication**

- We aim to publish our short-term forecast requirements for Balancing Reserve every day on the ESO Data Portal

- **BR Results Publication**

- Results will be published on the Data Portal and by 9am; aiming for 8.45am if possible & as the process develops we will look to publish earlier if we can

- **NOTE: BR Contracts are formed through the publication of results, there is no Contract Award email**

Onboarding



Provider Onboarding Checklist

In order to participate in BR, this is the onboarding process that needs to be completed ASAP:

1. SMP Onboarding

- Register account and user, if new to SMP and complete Asset and Unit information.
- Prequalify for Balancing Reserve - the current published Terms are the redline versions – [link here](#) that are now with Ofgem for review and will be replaced with final versions when the service is approved. We won't go live until we have Ofgem EBR approval
- More support calls scheduled for 10 am - February 8th & 15th - Please email caitlin.macleod@nationalgrideso.com if you would like to join
- Link to SMP Portal and supporting training materials: [Single Markets Platform | National Grid ESO](#)
- For further support please contact – laila.zaghari@nationalgrid.com or alasdair.smith@nationalgrid.com

2. API/User Interface Onboarding

- Bid submission by either:
 - Provider User Interface (UI)
 - Automated API
- The onboarding guide will be uploaded onto the website in the next few days
- User/Technical drop-in sessions available – first one will be Friday 10th February 1-2pm with further sessions to be scheduled
 - Please email caitlin.macleod@nationalgrideso.com if you are interested and would like to join
- **Mock Auctions**
 - To participate in the Mock Auctions you'll need to have completed SMP and Auction onboarding by no later than **Wednesday 22 February**
 - Mock Auctions planned for w/c Feb 27th
 - We will share more information in the coming week or two

Single Markets Platform (SMP)

- Information, training material and the link to login or register with SMP can all be found at <https://www.nationalgrideso.com/industry-information/balancing-services/single-markets-platform>
- To complete the SMP onboarding process you need to:
 - Create Assets and Units
 - Align Assets to Units
 - Create a user record for an Authorised Signatory (someone within your organisation that can approve the Terms and Conditions)
 - Pre-qualify your Units, including completing the compulsory 'Allocated MW' field
- For queries & additional support please contact
 - alasdair.smith@nationalgrid.com
 - laila.zaghari@nationalgrid.com
- **Please complete SMP onboarding asap as this is needed to participate in the mock auctions**

Auction: Bid Submission Overview

There are 2 ways for a Market Participant to submit Sell Orders to the Balancing Reserve Auction.

1. Manually via the Provider User Interface (UI)
2. Directly from your systems using the Balancing Reserve API

We are recommending that you subscribe to both routes for submission

Note: The latest bid submission will take precedence regardless of submission route

To establish a connection to the Balancing Reserve UI or API services this process will be followed:

1. NGENSO will provide a technical pro-forma to the participant – this requires details of the users, developers, API endpoints, etc., and will be published on the website and sent to you by the Contracts team
2. The participant will need to return the pro-forma to Commercial.Operation@nationalgrideso.com
3. NGENSO will update its Balancing Reserve systems and provide access to relevant documentation
4. If using the API, NGENSO will contact the participant to arrange a suitable time to test the message flows, in preparation for participation

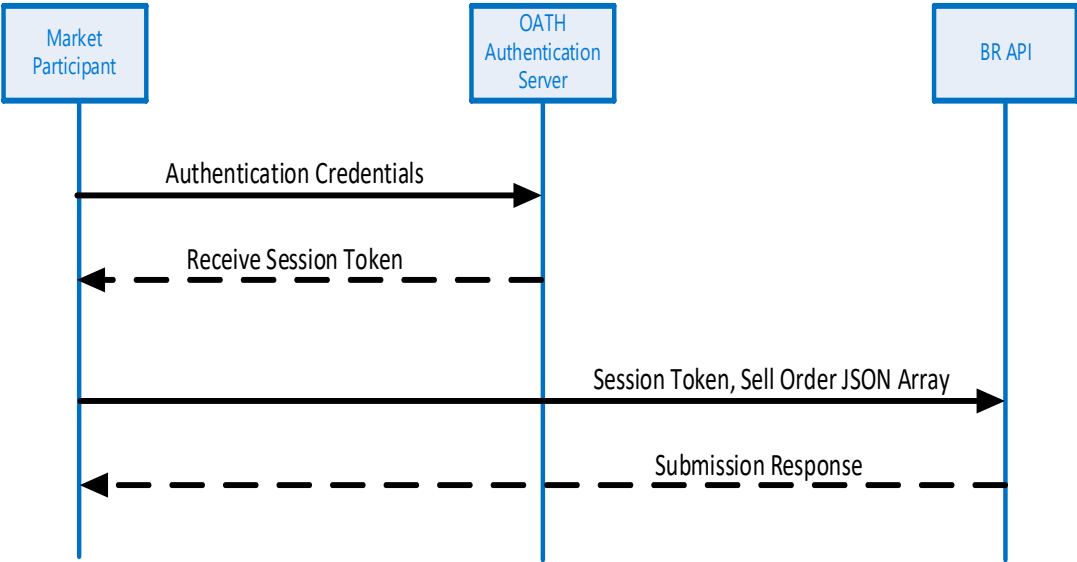
Notes:

- I. Commercial.Operation@nationalgrideso.com mailbox is used to enable communications regarding the API connection process. General enquiries regarding BR can be through Elliot, Vicci or Steve D, your Account Manager or email Commercial.Operation@nationalgrideso.com
- II. The participant should make available suitable technical staff to develop and implement a web services end point solution to establish API connections if that is their chosen route.
- III. The establishment of the API connection requires simultaneous liaison between the participant and NGENSO
- IV. The participant should make available suitable technical staff to test the individual flows

Auction: Bid Submission Process – User Interface (UI) Demo

[Sandeep]

Auction: Bid Submission Process – API



POST https://

Params Authorization Headers (10) **Body** Pre-request Script Tests Settings

● none ● form-data ● x-www-form-urlencoded ● raw ● binary ● GraphQL **JSON** ▾

```

1  {
2  .....{
3  .....  "User Defined Order ID": "1_ABC001_PBR",
4  .....  "BR Service Provider": "ABC Power Ltd",
5  .....  "BMU ID": "ABC001",
6  .....  "Service Type": "PBR",
7  .....  "Service Start": "2023-02-24T09:00:00Z",
8  .....  "Service End": "2023-02-24T09:30:00Z",
9  .....  "Price": 35,
10 .....  "Volume": 75,
11 .....  "Linked Order": ""
12 .....},
13 .....{
14 .....  "User Defined Order ID": "2_ABC001_PBR",
15 .....  "BR Service Provider": "ABC Power Ltd",
16 .....  "BMU ID": "ABC001",
17 .....  "Service Type": "PBR",
18 .....  "Service Start": "2023-02-24T09:30:00Z",
19 .....  "Service End": "2023-02-24T10:00:00Z",

```

```

{
  "Status" : "Sell_Orders_ddw_24022023_090000.csv Submitted for Final Validation"
}

```

Settlements Process



1. Service Data



2. Contact and billing data



3. Settlement System



4. Invoices & backing data created



5. Provider emailed



6. Finance instructed to release payment

Next Steps



Next Steps

We are planning to go live with onboarded providers after we successfully complete the Mock Auction, and also if we can receive OFGEM's approval decision

Recommend all eligible Providers participate in the **Mock Auction** planned from w/c **27 Feb** with more information to follow

In order to participate in the mock auctions, could you please complete:

- ✓ SMP registration and onboarding completed by **Wed 22 Feb**
- ✓ API/UI registration and onboarding by **Wed 22 Feb**

After this date providers will still be able to go onboard and participate in BR for go-live but we do not intend to run further Mock Auctions

- The Webinar recording and slides will be published on our ESO website: [Balancing Reserve](#)
- The 1st version of guidance for onboarding and the bid submission will be published on ESO website: [Balancing Reserve](#) and reminded through our FoBS emails
- If you would like a 1-to-1 session for technical support with onboarding to help you get ready for go-live, please contact caitlin.macleod@nationalgrideso.com
- We are planning User/Technical drop-in sessions – first one will be Friday 10th February 1-2pm with further sessions to be scheduled – contact caitlin.macleod@nationalgrideso.com
- We are planning another webinar in May to discuss Balancing Reserve Day 2. Information on this will be shared nearer the time.
- We will continue to keep industry updated by email & through the FoBS newsletter

Update on Reserve Reform

- We expect to publish an update on our plans for Reserve Reform in the next couple of weeks with a timeline for implementing the suite of new products
- The main dependency on our timeline is the required IT changes that need to be carried out by ESO's Balancing Programme
- Currently we are planning to run an EBR consultation in April and the new Quick and Slow reserve products are to be implemented towards the end of this year

Question and Answers

Vicci




Mural





























- Link to [Mural](#)

Balancing Reserve

[Share your feedback](#)

You say we listen. 

Use the sections below to leave your feedback for the project.

	 Positive feedback	 Negative feedback	 Ideas for improvement	 Questions
1 Single Market Platform <i>Alasdair Smith (Laila Zaghar)</i>				
2 Mulesoft Registration <i>Steve Jones or Shubhangi Jha</i>				
3 Bid submission <i>Steve Jones or Shubhangi Jha</i>				
4 Mock Auction <i>Steve Jones or Shubhangi Jha</i>				
5 Day 2 <i>All</i>				
6 Anything else				

How to navigate in Mural

Navigation settings

You have two options when navigating your mural: trackpad mode and mouse mode. **Trackpad mode** lets you use pinch-to-zoom and scrolling gestures on your computer trackpad to move around a mural. **Mouse mode** lets you use your mouse to move around your mural, including using your mouse's scrolling mechanism to zoom.

To switch between trackpad mode and mouse mode: Click the Navigation Settings button in the bottom right corner of your mural.

To zoom in or out of a canvas:

Click the zoom out (-) button or the zoom in (+) button in the bottom right corner of your mural.

OR

Click the percentage in between the zoom out (-) and zoom in (+) buttons and choose a scale.

If you're using mouse mode, you can also use the scroll wheel of your mouse to zoom.

If you're on trackpad mode, touch two fingers on the trackpad and move them apart to zoom in or together to zoom out.

To add your feedback on the board:

Simply (left) click on one of the blank post-it notes in each of the categories and start typing.

Close