

# EBR Article 18 Proposal – Summary of changes

Article 18 Consultation | 30 June 2023

**We have now launched the three new response services: Dynamic Containment, Dynamic Moderation and Dynamic Regulation, and we intend to consult on potential changes to these services on an annual basis. This year’s consultation we are referring to as Release 2, as it marks the second of these annual cycles.**

**These changes, subject to Ofgem approval, ESO and industry readiness are planned to go live from spring 2024.**

## Release 2 Consultation

With the new dynamic response service documents consolidated in Release 1 and the proposed procurement changes for the launch of our Enduring Auction Capability (EAC) [EBR Article 18 Consultation for Enduring Auction Capability \(EAC\)](#) we are focussing in this consultation on changes to more easily and effectively manage and use these services as well as laying the groundwork to improve participation.

The EAC consultation referenced above is also currently live. The EAC consultation proposes updates to the Service Terms for dynamic response services, and it is that updated Service Terms document (referred to in this document as the “baseline Service Terms”) to which we are now proposing to make the Release 2 changes.

There are no proposed changes in this Release 2 consultation that are contingent on the implementation of changes proposed in the EAC consultation and vice versa. Following the EAC consultation process, new service terms specified in that consultation will be the extant version on the specified go live date. Following the Release 2 consultation process, new service terms updated as a result of this consultation will be the extant version on the specified go live date.

We are proposing in this consultation updates to the following areas applied to the Service Terms currently under consultation for the Enduring Auction Capability:

Remove blockers in the terms preventing the use of data derived metering

- We have updated relevant references to metering to additionally allow approved forms of data derived metering to be used

Improved clarity on state of energy management

- We have updated wording for how state of energy related availability should be communicated
- Updates made to the availability payment calculation information to reflect an availability threshold

Introducing detail on requirements for heartbeat signals

- Introducing requirements in to the Terms for non-BMU heartbeat submissions similar to those required for BMUs

Ramp rate control:

- Ramp rate compliance will now be calculated against performance monitoring data instead of operational baselines

*Note: If the EAC consultation does not result in procurement changes coming into effect by the time this Release 2 consultation is concluded, then we would intend to make the Release 2 changes outlined above to the existing version of the Service Terms for dynamic response services. In that scenario, any reference in this consultation to a clause or section of the baseline Service Terms should be construed as a reference to the equivalent provision of the existing Service Terms. For example, one of the Release 2 changes is to the availability payment formulae in Schedule 2 of the baseline Service Terms, which in the above scenario would be made to the equivalent formulae appearing in Schedule 1 of the existing Service Terms*

## Response Release 2 Further work

In parallel to the specific changes outlined above we are also progressing a number of pieces of work to inform the further evolution of Frequency Response services. For clarity changes that may result from this work have not been included as part of this EBR Article 18 consultation.

We are reviewing our requirements and processes for performance monitoring and penalties including for ramp rates, availability declarations and data submission.

We are reviewing our requirements for visibility and control of Service Provider assets and associated data submission requirements. The ESO has a need for increased **visibility of non-Balancing Mechanism Units**. The ESO needs to be able to see balancing service providers anticipated behaviour so that we can include it in our plans for real-time balancing. Inability to do this increases uncertainty and frequency variation in real-time, both increasing balancing costs. We are keen to engage service providers on solutions to this issue including the potential provision of additional operational metering data.

Closely linked to the visibility of non-Balancing Mechanism Units, we are undertaking a comprehensive review of our enduring requirement for **ramp rate control**. As part of our analysis, we would welcome evidence of how and where aspects of the ramp rate controls restrict participation across services. Specifically, any quantifiable evidence of how this impacts prices in either balancing or wholesale markets. This is in addition to the updates for ramp rate control that we are included as part of this Article 18 consultation.

In addition to removing the blockers to the use of **data derived metering** from service terms in this consultation, we are progressing an innovation project to develop a proof-of-concept methodology to enable us to process and monitor alternative metering approaches.

If you would like to provide input on any of the above topics and/or participate in further engagement please email [.box.futureofbalancingservices@nationalgrideso.com](mailto:box.futureofbalancingservices@nationalgrideso.com) including "Response Release 2 further work" in the subject heading.