

# Demand Flexibility Service Procurement Rules

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## 1. Introduction

- 1.1 These **DFS Procurement Rules** describe the eligibility rules and criteria for participation in **NGESO's** procurement of the **Demand Flexibility Service**.
- 1.2 These **DFS Procurement Rules** supplement, and should be read alongside, the following documents, which together with these **DFS Procurement Rules** constitute the "**DFS Procurement Documentation**":-
- 1.2.1 the **DFS Service Terms**;
- 1.2.2 the **Balancing Services Glossary of General Terms and Rules of Interpretation**;
- 1.2.3 the **Common Flexibility Service Terms and Conditions** to the extent that any of its provisions are incorporated by any of the other **DFS Procurement Documentation** into such document(s); and
- 1.2.4 such other document(s) as **NGESO** may designate from time to time as comprising a part of the **DFS Procurement Documentation**.
- 1.3 Subject always to paragraph 1.4, **NGESO** may update these **DFS Procurement Rules** from time to time by publication of an updated version on its website, and each such updated version shall be effective from the date shown on its front cover.
- 1.4 To the extent required by the **Electricity Balancing Regulation** (and by reference to those provisions of the **DFS Procurement Documentation** which constitute terms and conditions approved by the **Authority** as the terms and conditions related to balancing pursuant to Article 18 of the **Electricity Balancing Regulation**), any variation to these **DFS Procurement Rules** will be proposed and implemented in accordance with the applicable requirements in the **Electricity Balancing Regulation**.

## 2. Duration of Service Procurement

- 2.1 **NGESO** envisages procuring the **Demand Flexibility Service** for service delivery commencing on 30 October 2023 (or such alternative date as **NGESO** may notify at its sole discretion), and for procurement to continue thereafter until a date notified by **NGESO** at its sole discretion.
- 2.2 Each notice from **NGESO** referred to in paragraph 2.1 shall be given by way of publication by **NGESO** on its website or (at **NGESO's** election) by notice in writing to all **Registered DFS Participants**, and shall be given not later than five (5) **Business Days** prior to the date so notified.

## 3. Defined Terms and Interpretation

- 3.1 Unless the context otherwise requires, any capitalised term used in these **DFS Procurement Rules** shall have the respective meaning given to it (if any) in either Schedule 1 or the prevailing **Balancing Services Glossary of General Terms and Rules of Interpretation** (as the case may be).
- 3.2 The rules of interpretation set out in the **Balancing Services Glossary of General Terms and Rules of Interpretation** shall also apply to these **DFS Procurement Rules**.
- 3.3 For the avoidance of doubt, any reference in these **DFS Procurement Rules** to premises shall include any **Plant** and **Apparatus** to which a supply of electricity is made.

## 4. Registration of DFS Units

4.1 A **Registered Service Provider** may register from time to time one or more **DFS Units** in accordance with the **Registration and Pre-Qualification Procedure**.

4.2 Each **DFS Unit** shall:-

4.2.1 be designated to a specific **DFS Unit Type** (which may not then be changed except with **NGESO's** prior agreement in writing); and

4.2.2 have a **Registered Unit Capacity** which shall be an integer from and including 1MW to and including 100MW.

4.3 As part of the **Registration and Pre-Qualification Procedure**, each **Registered Service Provider** shall:-

4.3.1 submit to **NGESO** for validation (and retain for fifteen (15) months after submission) its initial **Unit Meter Point Schedule** containing the **Unit Meter Points** which it wishes to have available for allocation to **DFS Units** from time to time; and

4.3.2 indicate in such initial **Unit Meter Point Schedule** against each **Unit Meter Point**:-

(a) whether it is ~~'Domestic'~~**Domestic** or ~~'Industrial & Commercial (I&C)'~~;

(b) whether it is a **Boundary Meter** or a **Sub-Meter**;

(c) if a **Boundary Meter**, its **MPAN(s)**, and if a **Sub-Meter** its serial number or other unique identifier and the **MPAN(s)** of its associated **Boundary Meter** (in each case the import **MPAN** together also with any export **MPAN**);

(d) whether it is **Manually Initiated** or **Directly Instructable**;

(e) whether it is designated as **Opt-in** or **Opt-out** (provided always that **Related Sub-Meters** shall always be designated collectively as either **Opt-In** or **Opt-Out**); and

(f) a timestamp ~~with the~~**(in format HH:MM:SS) and** date on which the **Registered Service Provider** obtained agreement from the owner and/or occupier of the premises to its participation in the **Demand Flexibility Service**; and

4.3.3 provide to **NGESO** (either as part of the initial **Unit Meter Point Schedule** or separately as may be specified by **NGESO**) all such other information as may be reasonably required by **NGESO** for the purposes of these **DFS Procurement Rules** and/or the **DFS Service Terms** and/or the **ABSVD Methodology Statement**.

4.4 It shall be the responsibility of each **Registered Service Provider** to ensure that, in relation to each **Unit Meter Point** included on its initial **Unit Meter Point Schedule**, none of:-

4.4.1 the relevant owner and/or occupier of the premises **Metered** by that **Unit Meter Point**; or

4.4.2 where it is a **Boundary Meter**, the relevant owner and/or occupier of the premises associated with each and any associated **Sub-Meter(s)**; or

4.4.3 where it is a **Sub-Meter**, the relevant owner and/or occupier of the premises associated with its associated **Boundary Meter Point**,

were in agreement as at ~~the date of~~ the timestamp referred to in paragraph 4.3.2(f) to participate in the **Demand Flexibility Service** from that same **Unit Meter Point** with another **Registered Service Provider**.

4.5 The inclusion by a **Registered Service Provider** in its initial **Unit Meter Point Schedule** of a **Sub-Meter** shall only be valid if all other **Sub-Meters** associated with the same **Boundary Meter** which are managed by the **Registered Service Provider** and eligible for inclusion pursuant to this paragraph 4 are also included in that **Unit Meter Point Schedule** (that **Sub-Meter** and all such other **Sub-Meters** being “**Related Sub-Meters**”), and for such purposes “managed” shall mean:-

4.5.1 the **Sub-Meter** relates to premises owned and/or occupied by the **Registered Service Provider**; or

4.5.2 the **Registered Service Provider** is the supplier of electricity to the premises to which that **Sub-Meter** relates; or

4.5.3 the **Registered Service Provider** is a party to contractual arrangements with either the owner and/or occupier of the premises to which the **Sub-Meter** relates or the supplier of electricity to such premises which authorise the **Registered Service Provider** on behalf of such person(s) to participate in **DFS** with respect to such **Sub-Meter**.

4.6 Notwithstanding paragraph 4.4, where:-

4.6.1 the same **Unit Meter Point** appears on more than one initial **Unit Meter Point Schedule**; or

4.6.2 a **Boundary Meter** and one or more of any associated **Sub-Meters** appear on the same or multiple **Unit Meter Point Schedule(s)**,

then **NGESO** shall in the case of paragraph 4.6.1 reject that **Unit Meter Point**, or in the case of paragraph 4.6.2 reject the **Boundary Meter** and each such **Sub-Meter(s)**, in each case for inclusion on all **Unit Meter Point Schedule(s)** except in either case that which shows the latest timestamp.

4.7 Each of the **Unit Meter Points** submitted for inclusion on the initial **Unit Meter Point Schedule** pursuant to paragraph 4.3.1 (or as the context admits the **Plant** or **Apparatus** it represents):-

4.7.1 shall be **Half-Hourly Metered**;

4.7.2 if a **Boundary Meter** which is ~~‘Industrial & Commercial’~~, Commercial (unless the relevant premises are Profile Class 3 or 4), shall be **Half-Hourly Settled**;

4.7.3 if a **Boundary Meter** which is ~~‘Domestic’~~, either Domestic or Industrial & Commercial (where the relevant premises are Profile Class 3 or 4 only), may be either **Half-Hourly Settled** or **Non-Half-Hourly Settled**;

4.7.4 if a **Sub-Meter** ~~(whether ‘Domestic’ or ‘Industrial & Commercial’)~~, may be either **Half-Hourly Settled** or **Non-Half-Hourly Settled** but must be associated with a **Boundary Meter** which is **Half-Hourly Settled**;

4.7.5 shall not form part of a **BM Unit** except a **Supplier Base BM Unit**;

4.7.6 shall comprise **Metering Equipment** all of which (including for the avoidance of doubt any asset and voltage transformers) meets any relevant accuracy class requirements of **Code of Practice 11**;

4.7.64.7.7 shall not comprise (wholly or partly, including by virtue of being a **Sub-Meter** associated with a **Boundary Meter** which is) a **CMU** which is the subject of a **Capacity Agreement** for any **CM Delivery Period** which overlaps to any extent with the **DFS Procurement Period**; and

4.7.74.7.8 shall not, ~~and shall not at any time during the **DFS Procurement Period**,~~ be registered with **NGESO** or with any **Public Distribution System Operator** (or any other third party) to provide (whether solely, partly, or in conjunction with any other **Plant** or **Apparatus** and including where providing via an aggregator) any **Balancing Service** to **NGESO** or any similar service to ~~any that **Public Distribution System Operator** (or third party-),~~ which for these purposes shall exclude participation in **Active Network Management Schemes**);

4.8 Following submission by a **Registered Service Provider** of its initial **Unit Meter Point Schedule**, **NGESO** shall send a report to that **Registered Service Provider** in the form of a validated initial **Unit Meter Point Schedule** containing details of the **Unit Meter Points** which have been accepted and those that have been rejected, having regard to the requirements of this paragraph 4. **NGESO** will use reasonable endeavours to send the report to the **Registered Service Provider** by the end of the **Business Day** where the initial **Meter Point Schedule** is submitted before 11:00 hours on that **Business Day**.

4.9 **Unit Meter Points** so accepted, for so long as remaining on the prevailing **Unit Meter Point Schedule** and not rejected by **NGESO** pursuant to paragraph 9.4, may thereafter be allocated to **DFS Units** for the purpose of submission of **DFS Bids** on or after the next following Day pursuant to paragraph 11.

4.10 Information provided by a **Registered Service Provider** to **NGESO** pursuant to the **Registration and Pre-Qualification Procedure** shall be kept up to date by the **Registered Service Provider** and any changes shall be notified promptly by the **Registered Service Provider** to **NGESO** either by way of submission of an updated **Unit Meter Point Schedule** pursuant to paragraph 9 (where applicable) or otherwise by notice in writing to **NGESO** in such format as **NGESO** may specify.

## 5. Registration as Registered DFS Participant

5.1 No **Registered Service Provider** may participate in **NGESO**'s procurement of the **Demand Flexibility Service** unless and until **NGESO** has confirmed that it is a **Registered DFS Participant** in accordance with the **Registration and Pre-Qualification Procedure**.

5.2 Where **NGESO** determines (acting reasonably) that:-

5.2.1 any details provided, including confirmations and declarations given, by a **Registered Service Provider** pursuant to the **Registration and Pre-Qualification Procedure** are no longer true and/or accurate; and/or

5.2.2 having regard to monitoring of **Performance Data** and/or **Settlement Data** pursuant to the **DFS Service Terms** or otherwise, a **Registered DFS Participant** is materially and/or persistently failing to deliver the **Demand Flexibility Service** from one or more **DFS Units** in accordance with its submitted **Demand Reduction Volumes**; and/or

- 5.2.3 the **Registered DFS Participant** has persistently failed to provide compliant **Performance Data** in a timely manner; and/or
- 5.2.4 without prejudice to the foregoing, a **Registered Service Provider** is materially and/or persistently in breach of any of the warranties and undertakings in paragraph 6.3 or 13.1 and/or any of its obligations under these **DFS Procurement Rules** or the **DFS Service Terms**,

then **NGESO** may (but shall not be obliged to) de-register the relevant entity as a **Registered DFS Participant**. Such de-registration shall be notified by **NGESO** to the **Registered DFS Participant** by email, whereupon no further **DFS Bids** may be submitted by that **Registered Service Provider** unless and until it is re-registered in accordance with the **Registration and Pre-Qualification Procedure**.

## 6. DFS Operational Baselines

- 6.1 Each **DFS Unit** shall be associated with a **DFS Unit Type** as notified by the **DFS Registered Participant** pursuant to the **Registration and Pre-Qualification Procedure**, and its **DFS Operational Baseline** shall be derived from the methodology set out in Schedule 3.
- 6.2 The **Demand Reduction Volume** offered from time to time by the **Registered DFS Participant** from a **DFS Unit** as part of a **DFS Bid** shall be such amount as is reasonably considered by the **Registered DFS Participant** (acting in accordance with **Good Industry Practice**) to be deliverable in aggregate from the **Unit Meter Points** defined by that **DFS Bid** by reference to that **DFS Unit's DFS Operational Baseline** and on the basis that the applicable **DFS Initiation Measures** are implemented in full.
- 6.3 Without prejudice to paragraph 6.2, each **Registered DFS Participant** warrants and undertakes to **NGESO**:-
- 6.3.1 to act in good faith in a manner designed to ensure that, with respect to any **Unit Meter Points** allocated to a **DFS Unit**, the **Metered Volume** in an **Eligible Day** (each as defined in Schedule 3) is not adjusted with the intent of artificially inflating the **DFS Operational Baseline** from what it would have been but for the issue (or prospect of issue) of a **DFS Acceptance**;
- 6.3.2 it has in place at all relevant times appropriate policies and/or procedures which are (insofar as may be reasonably practicable) designed to identify and promptly notify to **NGESO** in writing, and will so notify **NGESO** upon becoming aware of, any trends or patterns of behaviour across the part of an owner and/or occupier of premises Metered by Unit Meter Point(s) allocated to a **DFS Unit** which seeks to adjust the Metered Volume of that Points on its Unit Meter Point with the intent of artificially inflating the Schedule which may suggest an artificial inflation of aggregate DFS Operational Baseline as described in paragraph 6.3.1; and
- 6.3.3 to act (and where it is not the owner and/or occupier of premises **Metered** by **Unit Meter Point(s)** allocated to a **DFS Unit** procure that such owner and/or occupier acts) in good faith to implement the **DFS Initiation Measures** and deliver **DFS** in accordance with the **DFS Service Terms** including by preventing the deliberate displacement of any consumption represented by the **DFS Operational Baseline** to one or more other **Meter Points**.

## 7. Market Information Reports

**7.1** NGESO may from time to time publish on its website (and/or on the **ESO Data Portal**) a **Market Information Report** containing:-

**7.1.1** non-binding indications of its anticipated **Service Requirements**, including the expected frequency and/or timing of **DFS Tests**;-; and

~~7.1.1.2~~ **7.1.2** the volume trigger at which **DFS Tests** after December 2023 become **Competitive Tests** pursuant to paragraph 10.6.5.

**7.2** The first such **Market Information Report** shall be published on or prior to commencement of the **DFS Procurement Period**.

## 8. Weekly Indicative Forecasts

**8.1** Each **Registered DFS Participant** shall use reasonable endeavours to provide to **NGESO** a weekly forecast of its anticipated maximum aggregate **Demand Reduction Volumes** from each **DFS Unit** (based on a notional allocation of validated **Unit Meter Points** to that **DFS Unit**), together with its indicative **Utilisation Prices** for each **DFS Unit**, each such forecast referred to in the **DFS Procurement Documentation** as “the **Weekly Indicative Forecast**”.

**8.2** The **Weekly Indicative Forecast** shall:-

**8.2.1** be submitted to **NGESO** at or around 10:00 hours on each Friday via the **DFS Assessment Platform**;

**8.2.2** subject to paragraph 8.2.3, include the details specified in paragraph 8.1 for each **Settlement Period** in each of the **Days** from and including the next following Saturday to and including the next following Friday;

**8.2.3** specify the details referred to in paragraph 8.2.2 based on a **Service Requirement** issued at each of the **Despatch Times**; and

**8.2.4** be in such format as may be specified from time to time by **NGESO**.

**8.3** Each **Registered DFS Participant** may submit an updated **Weekly Indicative Forecast** at any time to reflect any changes it becomes aware of to the anticipated maximum aggregate **Demand Reduction Volumes** from each **DFS Unit** for the next and/or subsequent **Days**, and may also update its indicative **Utilisation Prices** in respect thereof. -Any updated **Weekly Indicative Forecast** shall meet the requirements of paragraph 8.1 and 8.2.

**8.4** For the avoidance of doubt, failure to submit a timely **Weekly Indicative Forecast** pursuant to paragraph 8.1 shall not disqualify the **Registered DFS Participant** from eligibility to submit **DFS Bids** with respect to any **Service Requirement** notified by **NGESO** with respect to the relevant **Day**.

## 9. Updates to Unit Meter Point Schedules

**9.1** For the purpose of these **DFS Procurement Rules**, unless the context otherwise requires, all references in these **DFS Procurement Rules**:-

**9.1.1** to the prevailing **Unit Meter Point Schedule** shall mean the validated initial **Unit Meter Point Schedule** submitted by **NGESO** to the **Registered Service Provider** pursuant to paragraph ~~4.54.8~~, as updated from time to time pursuant to this paragraph 9 (and for the avoidance of



doubt excluding any **Unit Meter Point** rejected pursuant to paragraph 9.4); and

- 9.1.2 to a validated **Unit Meter Point** shall mean a **Unit Meter Point** accepted by **NGESO** for inclusion on the prevailing **Unit Meter Point Schedule** and not at the relevant time rejected by **NGESO** pursuant to paragraph 9.4.

9.2 Where the **Registered DFS Participant** wishes to:-

- 9.2.1 propose the inclusion or removal of **Unit Meter Points** from the prevailing **Unit Meter Point Schedule**; or
- 9.2.2 notify a change to the **Opt-in** or **Opt-out** designation of **Unit Meter Points**; or
- 9.2.3 notify a change to the designation of **Unit Meter Points** as **Manually Initiated** or **Directly Instructable**; or
- 9.2.4 notify any changes to any of the other information specified in the prevailing **Unit Meter Point Schedule**,

~~it shall~~ it shall (subject always to paragraph 9.4 where applicable) submit to **NGESO** such proposal or notification as an update to the prevailing **Unit Meter Point Schedule**, and in respect thereof the provisions of paragraphs 4.3 to 4.9 inclusive shall apply (and all references therein to the initial **Unit Meter Point Schedule** shall be to such updated **Unit Meter Point Schedule**).

9.3 Without prejudice to paragraph 4.4, each **Registered DFS Participant** shall use reasonable endeavours in cooperation with **NGESO** to assist in the resolution of any instances of the same **Unit Meter Point** simultaneously appearing in two or more **Unit Meter Point Schedules** or of a **Boundary Meter** and any one or more of its associated **Sub-Meters** appearing in the same or multiple **Unit Meter Point Schedules**.

9.4 Except with **NGESO**'s consent in writing, no **Meter Point** shall be included by a **Registered DFS Participant** on its **Unit Meter Point Schedule** if it has previously been included on that **Registered DFS Participant**'s **Unit Meter Point Schedule** (or that of any of its **Affiliates**) and since then removed and subsequently registered by that **Registered DFS Participant** (or any of its **Affiliates**) with **NGESO** or with any **Public Distribution System Operator** (or any other third party) so as to provide at any time during the preceding ninety (90) **Days** (whether solely, partly, or in conjunction with any other **Plant** or **Apparatus** and including where providing via an aggregator) any **Balancing Service** to **NGESO** or any similar service to that **Public Distribution System Operator** (or third party), provided always that nothing in this paragraph 9.4 shall restrict or prevent the inclusion on a **Unit Meter Point Schedule** of a **Meter Point** solely by virtue of its:-

9.4.1 participation in an **Active Network Management Scheme**; or

9.4.2 its previous inclusion on the **Unit Meter Point Schedule** of another **Registered DFS Participant**.

9.4.5 **NGESO** may at any time (acting reasonably and having regard to the requirements of paragraph 4) reject any **Unit Meter Point** previously accepted for inclusion on the prevailing **Unit Meter Point Schedule**, either by notifying the **Registered DFS Participant** in writing details of the rejected **Unit Meter Point(s)** or by way of submission to the **Registered DFS Participant** of an updated **Unit Meter Point Schedule**.

## 10. Service Requirement

**10.1** If **NGESO** anticipates that it may have a **Service Requirement** for any **Day**, including by way of a **DFS Test** pursuant to paragraph ~~10.40~~, then it may (but shall not be obliged to) publish such anticipated **Service Requirement**, each such publication referred to in the **DFS Procurement Documentation** as an “**Anticipated DFS Requirement Notice**”.

**10.2** For the avoidance of doubt, each **Anticipated DFS Requirement Notice** shall be non-binding and accordingly shall not in any way commit **NGESO** to issue a **Service Requirement**.

**10.3** Irrespective of whether **NGESO** shall have published an **Anticipated DFS Requirement Notice**, at or around any of the **Despatch Times** **NGESO** may (but shall not be obliged to) notify a service requirement for **DFS** for one or more **DFS Service Window(s)** falling in the remainder of that **Day** or the following **Day** (as the case may be), each such requirement referred to in the **DFS Procurement Documentation** as the “**Service Requirement**”.

~~**10.4** Notwithstanding paragraphs 10.1 10.2 and 10.3, where **NGESO** intends to notify a **Service Requirement** by way of a **DFS Test**, it shall use reasonable endeavours to do so in accordance with this paragraph 10.4, and in connection therewith:-~~

~~**10.4.1** **NGESO** shall issue an **Anticipated DFS Requirement Notice** indicating that it anticipates issuing a **Service Requirement** as a **DFS Test**;~~

~~**10.4.2** **NGESO**'s **Service Requirement** shall also indicate that it is issued pursuant to a **DFS Test** and **NGESO** shall simultaneously notify and publish the **Guaranteed Acceptance Price** for that **Service Requirement**;~~

~~**10.4.3** a **DFS Test** may be cancelled by **NGESO** for any reason at any time prior to issue of the **Service Requirement**, including by the notification to all **Registered DFS Participants** and publication on the **ESO Data Portal** that **Day** of a **Service Requirement** (not being a **DFS Test**), whereupon for the avoidance of doubt the **Guaranteed Acceptance Price** shall no longer apply.~~

**10.5.10.4** Notification of a **Service Requirement** shall be made by **NGESO** via the **ESO Data Portal**, and **NGESO** may also publish each **Service Requirement** by notification to each **Registered DFS Participant** on the **DFS Assessment Platform**.

**10.6.10.5** Each **Service Requirement** shall set out the following:-

~~**10.6.1**~~ **10.5.1** the **DFS Service Window(s)**;

~~**10.6.2**~~ **10.5.2** its total required volume (MW) of **Demand Flexibility**; and

~~**10.6.3**~~ **10.5.3** whether the **Service Requirement** is being issued as a **DFS Test**, ~~and if so the **Guaranteed Acceptance Price**,~~

and **NGESO** may also specify in the **Service Requirement** a **DFS Bid Submission Time**.

~~**10.6** Notwithstanding paragraphs 10.1 10.2 and 10.3, where **NGESO** intends to notify a **Service Requirement** by way of a **DFS Test**:-~~

~~**10.6.1** the **Service Requirement** shall indicate that it is issued pursuant to a **DFS Test** and unless paragraph 10.6.5 applies **NGESO** shall simultaneously notify and publish the **Guaranteed Acceptance Price** for that **Service Requirement**;~~

**10.6.2** in order to ensure that step changes in aggregate delivery of **DFS** over a **DFS Service Window** do not exceed operational limits, for each **DFS Service Window** comprising two or more consecutive **Settlement Periods** **NGESO** shall determine an allocation of one or more of such **Settlement Periods** to each **Registered DFS Participant** such that each **Registered DFS Participant** may only submit a **DFS Bid** for each of its **DFS Units** for the **Settlement Period(s)** to which it has been allocated;

**10.6.3** in making such allocations, **NGESO** shall seek to act fairly as between all **Registered DFS Participants**, including by ensuring equitable allocation of preferred **Settlement Periods** across consecutive **DFS Tests**;

**10.6.4** the **Service Requirement** shall set out **NGESO's** allocation of **Settlement Periods** to **Registered DFS Participants** pursuant to the paragraphs 10.6.2 and 10.6.3; and

**10.6.5** where, for any **Settlement Period** in a **DFS Service Window** falling after December 2023, **NGESO** determines that the maximum aggregate **Demand Reduction Volumes** anticipated by all **Registered DFS Participants**, as shown in the prevailing **Weekly Indicative Forecasts** (with any reasonable adjustment which **NGESO** may make based on observed levels of accuracy of **Weekly Indicative Forecasts**), exceeds in aggregate the prevailing volume trigger published by **NGESO** pursuant to paragraph 7.1.2, then (except as provided in paragraph 10.7) **NGESO** may at its sole discretion declare in the **Service Requirement** that the **DFS Test** is to be treated as a **Competitive Test**, whereupon the **Guaranteed Acceptance Price** shall be set to zero and all valid **DFS Bids** shall be ranked for acceptance in accordance with paragraph 12.

**10.7** **NGESO** shall use reasonable endeavours to carry out six (6) **DFS Tests** during the period ending 31 December 2023, and insofar as any of such **DFS Tests** remain to be carried out by the end of such period then the shortfall shall be carried forward to the remainder of the **DFS Procurement Period** and on the basis that no such **DFS Test(s)** may be treated as a **Competitive Test**.

## 11. Submission of DFS Bids

**11.1** By no later than the **DFS Bid Submission Time**, and with respect to any **DFS Unit**, a **Registered DFS Participant** may (but shall not be obliged to) submit **DFS Bid(s)** for any or all of the **Settlement Periods** contained in, a **DFS Service Window**, in accordance with the following provisions of this paragraph **411**, provided always that for any **DFS Test** the **Registered DFS Participant** may only submit **DFS Bids** for the **Settlement Period(s)** allocated to it by **NGESO** pursuant to paragraph 0.

**11.2** Each **DFS Bid** shall relate to a single **Settlement Period** comprised within the **DFS Service Window**, and in response to any **Service Requirement** a **Registered DFS Participant** may submit:-

**11.2.1** multiple **DFS Bids** for the same **DFS Unit** but for different **Settlement Periods**; and

**11.2.2** multiple **DFS Bids** for different **DFS Units** for the same **Settlement Period**,

but multiple **DFS Bids** for a single **DFS Unit** may not be submitted for the same **Settlement Period**.

**11.3** **DFS Bids** received after the time specified in paragraph 11.1 shall be considered null and void regardless of cause unless otherwise decided by **NGESO** at its sole discretion.

- 11.4 To be valid, each **DFS Bid** will need to be submitted by the **Registered DFS Participant** via the **DFS Assessment Platform**, be fully completed in accordance with paragraph 11.5 and be in the correct format as specified from time to time by **NGESO** which unless otherwise specified by **NGESO** in writing shall be a composite submission containing all **DFS Bids** for all of the **Registered DFS Participant's DFS Units**.
- 11.5 Each **DFS Bid** shall include:-
- 11.5.1 the name of the **Registered DFS Participant** (matching the name given pursuant to the **Registration and Pre-Qualification Procedure**);
- 11.5.2 the **DFS Unit ID** (matching its ID allocated to it pursuant to the **Registration and Pre-Qualification Procedure**);
- 11.5.3 the applicable **Settlement Period** over which the **DFS Bid** is defined;
- 11.5.4 a **Utilisation Price** (in £/MWh, where the applicable pound and pence figures shall each be an integer); and
- 11.5.5 the offered **Demand Reduction Volume** (in MW), which shall:-
- (a) be based on an allocation to the **DFS Unit** of one or more **Unit Meter Points** on the prevailing **Unit Meter Point Schedule** (but so that a **Unit Meter Point** indicated in the **Unit Meter Point Schedule** as either '~~Domestic~~**Domestic**' or '~~Industrial & Commercial (I&C)~~' may only be allocated to a **DFS Unit** of the applicable **DFS Unit Type** or where the **DFS Unit** is designated as 'Hybrid') and derived in accordance with paragraph 6;
  - (b) be an integer not less than the **Minimum Bid Size** and not exceeding the **Maximum Bid Size** (or such other maximum limit which may be specified from time to time by **NGESO**); and
  - (c) not in any event exceed the relevant **DFS Unit's Registered Unit Capacity**,
- and **NGESO** shall provide the facility for the offered **Demand Reduction Volume** to be submitted by **GSP Group**.
- 11.6 The **Registered DFS Participant** shall maintain (and provide to **NGESO** promptly on request) a record of the **Unit Meter Points** which it allocates to each relevant **DFS Unit** for the purposes of submitting its offered **Demand Reduction Volume** pursuant to paragraph 11.5.5.
- 11.7 Where a **Registered DFS Participant** wishes to modify or withdraw a **DFS Bid** with respect to any **Settlement Period**, then subject always to paragraph 11.8 it may do so by resubmission of the relevant **DFS Bid(s)** in accordance with paragraphs 11.1 to 11.5 inclusive.
- 11.8 After the time specified in paragraph 11.1, **DFS Bids** may not be modified or withdrawn by the **Registered DFS Participant** and shall become irrevocable subject always to paragraph 11.14, and if subject to a **DFS Acceptance** issued by **NGESO** pursuant to paragraph 14 shall be binding on the **Registered DFS Participant** upon the terms of the **DFS Service Terms**.
- 11.9 Where, in relation to any **DFS Unit**, any **DFS Bid** is submitted for a **Settlement Period** which is the subject of a valid **DFS Bid** previously submitted for that **DFS Unit** and **Settlement Period**, then the earlier **DFS Bid** shall be treated as withdrawn.

- 11.10** Validation of **DFS Bids** will be undertaken by **NGESO** at the time of submission, and without prejudice to paragraph 11.14 all submitted **DFS Bids** so validated remain valid and open for acceptance by **NGESO** by way of a **DFS Acceptance** submitted pursuant to paragraph 12 unless and until the **DFS Bid** is either:-
- 11.10.1** modified by the **Registered DFS Participant** pursuant to paragraph 11.7; or
  - 11.10.2** withdrawn by the **Registered DFS Participant** pursuant to paragraph 11.7 (including in the manner described in paragraph 11.9).
- 11.11** Each **Registered DFS Participant** is responsible for ensuring that the **DFS Bids** it submits are correct and valid.
- 11.12** Subject always to paragraph 11.14, upon becoming aware of any error in a **DFS Bid**, the **Registered DFS Participant** shall modify the **DFS Bid** in accordance with paragraph 11.6 where possible otherwise shall notify **NGESO** immediately, provided that in such event there shall be no obligation on **NGESO** to take any steps to avoid or mitigate any potential losses to the **Registered DFS Participant**.
- 11.13** **DFS Bids** submitted by **Registered DFS Participants** shall not be visible to other **Registered DFS Participants** until publication in the **DFS Utilisation Report** in the manner described in paragraph 17.
- 11.14** If, in the sole judgment of **NGESO**, a **Registered DFS Participant** has failed to submit a correct and valid **DFS Bid** in accordance with this paragraph 11, **NGESO** reserves the right to:-
- 11.14.1** deem that **DFS Bid** to be valid and correct; or
  - 11.14.2** cancel that **DFS Bid**; and/or
  - 11.14.3** take any other action as it deems appropriate in the circumstances including requesting the **Registered DFS Participant** to resubmit and/or amend the **DFS Bid** so that it is correct and valid.
- 11.15** The decision of **NGESO** as to whether or not a **DFS Bid** is correct and valid shall be final, and the **Registered DFS Participant** may be notified of such decision without prior consultation or explanation.
- 12. Assessment of DFS Bids**
- 12.1** All submitted **DFS Bids** shall be assessed by **NGESO** in accordance with this paragraph 12 save that, with respect to all **DFS Tests**, (except **Competitive Tests**) **DFS Bids** for which the **Utilisation Price** is at or below the **Guaranteed Acceptance Price** will not be assessed and **NGESO** will issue **DFS Acceptances** in accordance with paragraph 14.
- 12.2** All valid **DFS Bids** shall be ranked by price (from lowest to highest) and (subject to paragraph 12.3) accepted until **NGESO** has secured either its required aggregate volume for the relevant **Settlement Period**, or in the case of a **Competitive Test** its required aggregated volume across all **Settlement Periods** in the **DFS Service Window** and for such purpose the required aggregate volume shall be based on the published **Service Requirement** but adjusted by **NGESO** at its sole discretion to reflect:-
- 12.2.1** prevailing system conditions; and/or
  - 12.2.2** submitted **Utilisation Prices** where procurement would be uneconomic.

**12.3** Since **DFS Bids** shall not be **Curtable** as provided in paragraph 14.3, **NGESO** may at its sole discretion either accept in full or reject the marginal **DFS Bid** if to accept would result in **NGESO** securing in excess of its required aggregate volume.

**12.4** Where there is more than one marginal **DFS Bid**, and subject always to paragraph 12.3, **NGESO** shall accept the **DFS Bid** whose offered **Demand Reduction Volume** most closely meets **NGESO's** required aggregate volume, and where offered **Demand Reduction Volumes** of one or more **DFS Bids** are identical then **NGESO** shall accept the **DFS Bid** with the lowest last resort rank factor.

**12.5** For the purposes of paragraph 12.4, all valid **DFS Bids** shall be assigned by **NGESO** with a unique last resort rank factor.

### **13. Warranties and Undertakings**

**13.1** Without prejudice to its other obligations under and/or pursuant to the **DFS Procurement Documentation** and subject to paragraphs 11.1 and 11.3 of the prevailing **Common Flexibility Service Terms and Conditions** which shall apply as if set out in full herein:-

**13.1.1** **NGESO** and each **Registered DFS Participant** warrants and undertakes to the other in the manner set out in paragraph 6.1 of the prevailing **Common Flexibility Service Terms and Conditions** as if set out in full herein; and

**13.1.2** on each occasion it submits a **DFS Bid**, the **Registered DFS Participant** warrants and undertakes to **NGESO**:-

- (a) that each of the **Unit Meter Points** allocated to the relevant **DFS Unit** in a **DFS Bid** complies with the requirements of paragraph 4;
- (b) that it has all consents and permissions necessary for the delivery of **DFS** from each **Unit Meter Point** allocated to the relevant **DFS Unit** and the discharge of its obligations under these **DFS Procurement Rules** and the **DFS Service Terms** with respect to each such **Unit Meter Point**, including from each owner and/or occupier of premises associated with each such **Unit Meter Point**;
- (c) without limiting paragraph (b) above, that it has access to the **Metered Data** for each of the **Unit Meter Points** allocated to the relevant **DFS Unit** for all purposes connected with the **DFS Procurement Documentation** including for the purpose of including energy volumes within the **Applicable Balancing Services Volume Data** as required by the **DFS Service Terms**;
- (d) that each of the **Unit Meter Points** allocated to the relevant **DFS Unit** for the purpose of deriving the offered **Demand Reduction Volume** is not otherwise participating in the **Demand Flexibility Service** by way of allocation to a **DFS Unit** registered by another **DFS Registered Participant**; and
- (e) in the manner set out in paragraph 6.2 of the prevailing **Common Flexibility Service Terms and Conditions** as if set out in full herein.

**13.2** Without prejudice to any other right or remedy, **NGESO** and the **Registered DFS Participant** shall each be entitled to claim damages from the other for any breach of the warranties and undertakings or any of them set out or referred to in this paragraph 13 subject to paragraphs 11.1 and 11.3 of the prevailing **Common Flexibility Service Terms and Conditions** which shall apply as if set out in full herein.

**13.3** Each **Registered DFS Participant** indemnifies **NGESO** from and against any losses, liabilities, claims, expenses and demands which **NGESO** might suffer as a result of the **Registered DFS Participant** being in breach of the warranties and undertakings or any of them set out or referred to in paragraph 13.1.2.

## 14. DFS Acceptances

**14.1** **NGESO** shall use reasonable endeavours to notify, at or around the **DFS Results Time**, all of those **Registered DFS Participants** who submitted **DFS Bids** whether each **DFS Bid** was accepted or rejected in accordance with paragraph 12, and each such notification of acceptance is referred to in the **DFS Procurement Documentation** as a “**DFS Acceptance**”.

**14.2** All notifications from **NGESO** pursuant to paragraph 14.1 shall be in writing and ordinarily made by way of publication on the **DFS Assessment Platform** but **NGESO** reserves the right to notify **DFS Acceptances** by any other appropriate means which may be by way of publication on the **ESO Data Portal**.

**14.3** **NGESO** may only accept a **DFS Bid** in full (both as to period and volume), and to that extent all **DFS Bids** shall be treated as not **Curtable**.

**14.4** For the avoidance of doubt, where with respect to any **Service Requirement** a **Registered DFS Participant** has submitted multiple **DFS Bids** for a **DFS Unit**, **DFS Acceptances** may relate to one or more of such **DFS Bids** and where multiple **DFS Bids** are accepted which relate to the same **DFS Unit** the relevant **Settlement Periods** do not need to be consecutive.

## 15. Delivery of DFS

**15.1** Each **Registered DFS Participant** in receipt of a **DFS Acceptance** shall provide the **Demand Flexibility Service** from the applicable **DFS Unit** during the applicable **Contracted Settlement Period** pursuant to and in accordance with the **DFS Service Terms**, and for the avoidance of doubt once a **DFS Acceptance** is issued by **NGESO** no further instruction or confirmation shall be given by **NGESO** to the **Registered DFS Participant**.

**15.2** Each **DFS Bid** and the contract formed between **NGESO** and the **Registered DFS Participant** upon issue of a **DFS Acceptance** shall be personal to **NGESO** and the **Registered DFS Participant** and neither **Party** shall assign, transfer, mortgage, charge, sub-contract or deal in any other manner with any or all of its rights and obligations thereunder except as may be permitted by the **DFS Service Terms** or in accordance with paragraph 12.2 of the prevailing **Common Flexibility Service Terms and Conditions** as if such provision was set out in full herein.

## 16. DFS Utilisation Reports

**16.1** As soon as reasonably practicable following notification of **DFS Acceptances**, **NGESO** shall publish (and may subsequently revise) on the **ESO Data Portal** and/or on its website the **DFS Utilisation Report**.

**16.2** Each **DFS Utilisation Report** may (at **NGESO**'s sole discretion) include in relation to each **DFS Service Window** and for each **DFS Bid**:-

**16.2.1** the information contained in paragraph 11.5; and

**16.2.2** whether or not it was the subject of a **DFS Acceptance**.

## 17. Confidentiality

- 17.1 Subject always to paragraphs 17.2 and 17.3, the provisions of paragraph 13 of the prevailing **Common Flexibility Service Terms and Conditions** shall apply to all and any information provided by **NGESO** or any **Registered DFS Participant** to the other (whether orally or in writing) pursuant to or in connection with these **DFS Procurement Rules** as if set out in full herein.
- 17.2 Each **Registered DFS Participant** agrees to the publication by **NGESO** of the information contained in the **DFS Utilisation Reports**, including in a non-anonymised form, insofar as relating directly or indirectly to the **Registered DFS Participant** and the relevant **DFS Unit**.
- 17.3 Without limiting paragraph 17.2, each **Registered DFS Participant** also agrees to:-
- 17.3.1 the disclosure by **NGESO** to the relevant **Public Distribution System Operator** of information related to any **DFS Bid** (whether or not accepted) insofar as relevant to the management and operation of its **Distribution System**, including without limitation the **DFS Unit Type** and **Registered Unit Capacity** of the relevant **DFS Unit** and the location of any or all of the constituent **Unit Meter Points**; and
- 17.3.2 the general publication by **NGESO** of anonymised data associated with **DFS Bids** aggregated by **DFS Unit Type** and/or **GSP Group**.

## 18. Exceptional Circumstances

- 18.1 If an exceptional situation arises, in particular if a system or the information needed to receive and/or assess **DFS Bids** is unavailable or if an incident prevents the procurement of **DFS** in normal circumstances, then **NGESO** may take any or all of the following measures (at its sole discretion):-
- 18.1.1 modify any or all of the deadlines in these **DFS Procurement Rules**;
- 18.1.2 authorise **Registered DFS Participants** to submit new **DFS Bids** or modify existing **DFS Bids**;
- 18.1.3 authorise **Registered DFS Participants** to submit **DFS Bids** otherwise than in accordance with paragraph 11;
- 18.1.4 cancel any Service Requirement at any time prior to issue of **DFS Acceptances**; and/or
- 18.1.5 take such other actions or steps as it reasonably considers to be necessary.

## 19. Communication Principles

- 19.1 **Registered DFS Participants** shall comply at all relevant times with the **Communication Principles** as regards the marketing and branding of customer facing products and associated processes related to the **DFS Initiation Measures** and any other aspect of the **DFS Procurement Documentation** referred to therein.

## 20. Accuracy of Information

- 20.1 All and any information provided by **NGESO** to **Registered DFS Participants** for the purposes of these **DFS Procurement Rules** including in each **DFS Utilisation Report** is provided in good faith, but no representation or warranty is given by **NGESO** (or any of its employees, officers, agents or advisers) as to the accuracy or completeness of such information.



## 21. Intellectual Property

- 21.1** **NGESO** and each **Registered DFS Participant** retain ownership of the documents, data and information of any kind (including all intellectual property rights in them) that are provided to the other pursuant to these **DFS Procurement Rules**.
- 21.2** Each **Registered DFS Participant** undertakes to **NGESO** that it will at all times when participating in **NGESO's** procurement of the **Demand Flexibility Service**, hold all and any authorisations and/or property rights and/or licences for all of the configurations, interfaces, firmware and software needed by it for it to participate in such procurement.
- 21.3** Each **Registered DFS Participant** shall comply (and use reasonable endeavours to ensure that its staff and other representatives comply) with all and any applicable user licences and terms of use of which the **Registered DFS Participant** is aware governing use by the **Registered DFS Participant** of the systems or software applications comprised in the **NGESO's** processes for procurement of the **Demand Flexibility Service**.
- 21.4** Each **Registered DFS Participant** indemnifies and keeps indemnified **NGESO** from and against any claims from a third party relating to an infringement of that third party's intellectual property rights or other property rights arising out of participation by the **Registered DFS Participant** in **NGESO's** procurement processes in breach of any user licence or terms of use referred to in paragraph 21.3 of which it is aware.
- 21.5** **NGESO** shall procure such third-party intellectual property authorisations as may be necessary to enable the **Registered DFS Participant** to participate in **NGESO's** processes for procurement of the **Demand Flexibility Service**.
- 21.6** **NGESO** shall indemnify and keep indemnified the **Registered DFS Participant** from and against any claims from a third party if and to the extent that the **Registered DFS Participant's** participation in **NGESO's** processes for procurement of the **Demand Flexibility Service** infringes a third party's intellectual property rights or other property rights.
- 21.7** In respect of the indemnities given in paragraphs 21.4 and 21.6 the indemnified party shall:-
- 21.7.1** notify the indemnifying party as soon as possible of any claim the subject of the indemnity (in this paragraph 21, "**IPR Claim**");
  - 21.7.2** give the indemnifying party control of the **IPR Claim**;
  - 21.7.3** make no admissions in respect of an **IPR Claim** without prior written consent of the indemnifying party; and
  - 21.7.4** provide such support in respect of the **IPR Claim** as the indemnifying party may reasonably require at the cost of the indemnifying party.

## 22. Costs

- 22.1** For the avoidance of doubt, each **Registered DFS Participant** shall remain responsible for all costs and expenses incurred by it in connection with these **DFS Procurement Rules** including all costs of registration, pre-qualification and allocation of assets, compilation and updating of its **Unit Meter Point Schedule** and preparing and submitting **DFS Bids** and **Weekly Indicative Forecasts**.

## 23. Notices

- 23.1 Save to the extent the manner of communication between **NGESO** and **Registered DFS Participants** is stipulated in the **Registration and Pre-Qualification Procedure**, paragraph 17 of the prevailing **Common Flexibility Service Terms and Conditions** shall apply as if set out in full herein to any notice required to be submitted under these **DFS Procurement Rules** by either **NGESO** or the **Registered DFS Participant** to the other.
- 23.2 For the purposes of paragraph 23.1, the relevant contact details and addresses of each **Party** shall be those notified from time to time by that **Party** to the other pursuant to the **Registration and Pre-Qualification Procedure**.

## 24. Dispute Resolution

- 24.1 The provisions of paragraph 18 of the prevailing **Common Flexibility Service Terms and Conditions** shall apply in relation to any dispute or difference of whatever nature however arising under, out of, or in connection with these **DFS Procurement Rules** as if set out in full herein, save that:-
- 24.1.1 no **Party** shall have any right to refer any dispute to an **Expert** for determination except where the dispute is stated in these **DFS Procurement Rules** to be referable to an **Expert** for determination or otherwise agreed in writing by the **Parties** to be so referable;
- 24.1.2 nothing in this paragraph 24 shall prevent the **Parties** from agreeing to resolve any dispute or difference through the courts in which case paragraph 25.1 shall apply; and
- 24.1.3 where any dispute is referred to arbitration, the Electricity Arbitration Association arbitration rules shall apply unless otherwise agreed in writing by the **Parties** (and paragraph 18 of the prevailing **Common Flexibility Service Terms and Conditions** shall be read and construed accordingly).

## 25. Governing Law and Jurisdiction

- 25.1 Any claim, dispute or matter (whether contractual or non-contractual) arising under or in connection with these **DFS Procurement Rules** or their enforceability shall be governed by and construed in accordance with the laws of England and Wales.
- 25.2 Subject always to paragraph 25, **NGESO** and each **Registered DFS Participant** submits to the exclusive jurisdiction of the courts of England and Wales over any claim, dispute or matter arising under or in connection with these **DFS Procurement Rules** or their enforceability and waives any objection to proceedings being brought in such courts or on the grounds that proceedings have been brought in an inconvenient forum.

## Schedule 1 – Defined Terms

“Active Network Management Scheme”	a scheme operated by a <b>Public Distribution System Operator</b> which is designed to continually monitor in real time constraints on an area of the network for the purpose of allocation of available capacity;
“Anticipated DFS Requirement Notice”	as defined in paragraph 10.1 of these <b>DFS Procurement Rules</b> ;
“Asset Meter”	as defined in the <b>BSC</b> (but so that the reference therein to paragraph 3.5 of Code of Practice 11 shall be to paragraph 3.1.5);
“Balancing Services Glossary of General Terms and Rules of Interpretation”	the prevailing document of that title published by or on behalf of <b>NGESO</b> from time to time;
“Base Rate”	in respect of any <b>Day</b> , the rate per annum which is equal to the base lending rate from time to time of Barclays Bank plc as at the close of business on the immediately preceding <b>Business Day</b> ;
“Boundary Meter”	a <b>Meter</b> comprised in a <b>Boundary Point Metering System</b> ;
“Boundary Point Metering System”	as defined in the <b>BSC</b> ;
“Capacity Agreement”	as defined in the <b>Capacity Market Rules</b> ;
“Clean Energy Regulation”	the English version of Commission Regulation (EU) 2019/943 of 5 June 2019 as converted into <b>Retained EU Law</b> ;
“CM Delivery Period”	the “Delivery Period” as defined in the <b>Capacity Market Rules</b> ;
“CMU”	as defined in the <b>Capacity Market Rules</b> ;
<u>“Code of Practice 11”</u>	<u>the latest version from time to time of the ‘Code of Practice (CoP) 11 for the Metering of Balancing Services Assets for Settlement Purposes’ published pursuant to the BSC;</u>
“Communication Principles”	the principles relating to the marketing and branding of customer facing products and associated processes related to <b>DFS Initiation Measures</b> and other aspects of the <b>DFS Procurement Documentation</b> , published by or on behalf of <b>NGESO</b> for the purposes of these <b>DFS Procurement Rules</b> on or before the start of the <b>DFS Procurement Period</b> and as may be modified by <b>NGESO</b> from time to time;
<u>“Competitive Test”</u>	<u>a <b>DFS Test</b> which is a <b>Competitive Test</b> in the circumstances described in paragraph 10.6.5;</u>
“Contracted Settlement Period”	a <b>Settlement Period</b> comprising all or a part of a <b>DFS Service Window</b> defined by the relevant <b>DFS Bid</b> the subject of a <b>DFS Acceptance</b> ;
“Curtaillable”	the capability of a <b>DFS Bid</b> to be partially accepted;

“Day”	a calendar day;
“Delivered Demand Reduction Volume”	<p>in respect of any <b>DFS Unit</b> and <b>Contracted Settlement Period</b>, and for all constituent <b>Unit Meter Points</b> which are <b>Participating</b>, the aggregate of:-</p> <ol style="list-style-type: none"> <li>(1) subject to (3) below, any demand reduction (in MWh) delivered from any such <b>Unit Meter Point</b> which is <b>Opt-In</b>;</li> <li>(2) subject to (3) below, any demand reduction (in MWh) or (as the case may be) any demand increase (in MWh) delivered from any such <b>Unit Meter Point</b> which is <b>Opt-Out</b>; and</li> <li>(3) where any such <b>Unit Meter Point</b> is a <b>Sub-Meter</b> which is a <b>Related Sub-Meter</b> to one or more other <b>Sub-Meters</b>, and whether <b>Opt-In</b> or <b>Opt-Out</b>, any demand reduction (in MWh) or (as the case may be) demand increase (in MWh) delivered from all such <b>Related Sub-Meters</b> (regardless of whether any of such other <b>Related Sub-Meters</b> are <b>Non-Participating</b>,</li> </ol> <p>in each case delivered against the <b>DFS Operational Baseline</b> and derived from <b>Half-Hourly Metering</b>;</p>
“Demand Flexibility Service” or “DFS”	a <b>Balancing Service</b> designed to allow <b>NGESO</b> to access downward flexibility from assets that would not otherwise be accessible in real time (including through the <b>Balancing Mechanism</b> );
“Demand Reduction Volume”	in respect of any <b>DFS Unit</b> , the volume of aggregate demand reduction from the constituent <b>Unit Meter Points</b> offered by the <b>Registered DFS Participant</b> as specified in its <b>DFS Bid</b> ;
“Despatch Times”	with respect to any <b>Day</b> , such time or times as <b>NGESO</b> may specify in writing from time to time;
“DFS Acceptance”	as defined in paragraph 14.1 of these <b>DFS Procurement Rules</b> ;
“DFS Assessment Platform”	the tools and/or processes (including any contingency procedures) used by <b>NGESO</b> from time to time for purposes connected with the procurement of <b>DFS</b> as more particularly described in these <b>DFS Procurement Rules</b> as notified by <b>NGESO</b> to <b>Registered DFS Participants</b> ;
“DFS Bid”	in respect of a <b>DFS Unit</b> , a bid submitted by a <b>Registered DFS Participant</b> in accordance with these <b>DFS Procurement Rules</b> for the delivery upon and subject to the <b>DFS Service Terms</b> of the <b>Demand Flexibility Service</b> during a single <b>Settlement Period</b> comprising all or part of a <b>DFS Service Window</b> ;

“DFS Bid Submission Time”	with respect to any <b>Service Requirement</b> , sixty (60) minutes after issue of that <b>Service Requirement</b> , or such other time as <b>NGESO</b> may specify in that <b>Service Requirement</b> ;
“DFS Initiation Measures”	means such actions and processes as shall be implemented by the <b>Registered DFS Participant</b> following submission by <b>NGESO</b> of a <b>DFS Acceptance</b> so as to deliver <b>Demand Reduction Volume</b> , as more particularly described by the <b>Registered DFS Participant</b> pursuant to the <b>Registration and Pre-Qualification Procedure</b> , and which may be <b>Manually Initiated</b> or <b>Directly Instructable</b> or a combination of both;
“DFS Operational Baseline”	in respect of any <b>DFS Unit</b> , means the assumed aggregate demand profile of the constituent <b>Unit Meter Points</b> designated to that <b>DFS Unit</b> pursuant to the <b>Registration and Pre-Qualification Procedure</b> expressed in MWh over the relevant <b>Contracted Settlement Period</b> and as more particularly described in Schedule 3;
“DFS Procurement Documentation”	as described in paragraph 1.2 of these <b>DFS Procurement Rules</b> ;
“DFS Procurement Period”	the period over which <b>NGESO</b> intends to procure the <b>Demand Flexibility Service</b> as described in paragraph 2.1 of these <b>DFS Procurement Rules</b> ;
“DFS Procurement Rules”	this document as published by <b>NGESO</b> from time to time;
“DFS Results Time”	with respect to any <b>Service Requirement</b> , sixty (60) minutes after the <b>DFS Bid Submission Time</b> , or such other time as <b>NGESO</b> may specify in writing from time to time;
“DFS Service Terms”	the prevailing document titled “ <b>DFS Service Terms</b> ” published by or on behalf of <b>NGESO</b> from time to time containing the terms and conditions governing the delivery and settlement of the <b>Demand Flexibility Service</b> ;
“DFS Service Window”	a single <b>Settlement Period</b> or consecutive <b>Settlement Periods</b> the subject of a <b>Service Requirement</b> ;
“DFS Test”	a <b>Service Requirement</b> issued in the circumstances described in paragraph <u>1.140.4</u> of these <b>DFS Procurement Rules</b> ;
“DFS Unit”	a single <b>DFS Unit Type</b> comprising a collection of <b>Unit Meter Points</b> registered as such by a <b>Registered DFS Participant</b> at the relevant time in accordance with the <b>Registration and Pre-Qualification Procedure</b> ;
“DFS Unit Type”	either ‘ <del>Domestic</del> <b>Domestic</b> ’ or ‘ <del>Industrial and Commercial (I&amp;C)</del> <b>Industrial and Commercial</b> ’, or ‘Hybrid’ as more particularly described in the <b>Registration and Pre-Qualification Procedure</b> ;

“DFS Utilisation Report”	the report (which may comprise more than one document, published separately) published by <b>NGESO</b> pursuant to paragraph 18 of these <b>DFS Procurement Rules</b> ;
“Directly Instructable” or “Directly Instructed”	the facility made available to a <b>Registered DFS Participant</b> by the owner and/or occupier of a <b>Unit Meter Point</b> during the <b>DFS Procurement Period</b> for the <b>Registered DFS Participant</b> to initiate delivery of <b>DFS</b> from a <b>Unit Meter Point</b> by communicating directly with the <b>Unit Meter Point</b> (which may be by an appropriate signal to the on-site <b>Metering Equipment</b> );
<u>“Domestic”</u>	<u>for the purposes of these <b>DFS Procurement Rules</b>, and in relation to a <b>Unit Meter Point</b>, that it records consumption of premises at which a supply of electricity is taken wholly or mainly for a domestic purpose;</u>
“DRSC Liable User”	any <b>Registered DFS Participant</b> whose receipt of a <b>DFS Acceptance</b> renders it a <b>Demand Response Provider</b> by virtue of the relevant <b>DFS Unit</b> comprising a source of controllable <b>Demand</b> ;
“Electricity Balancing Regulation”	the English version of Commission Regulation (EU) 2017/2195 of 23 November 2017 as converted into <b>Retained EU Law</b> ;
“Eligible Day”	as defined in Schedule 3 of these <b>DFS Procurement Rules</b> ;
“ESO Data Portal”	the online portal hosted by <b>NGESO</b> which is used to publish data related to its procurement of certain <b>Balancing Services</b> ;
“Grid Supply Point”	as defined in the <b>Grid Code</b> ;
“Grid Supply Point Group” or “GSP Group”	the meaning given to “GSP Group” in the <b>BSC</b> ;
“Guaranteed Acceptance Price”	the price (£/MWh) published by <b>NGESO</b> from time to time with respect to <b>DFS Tests</b> ;
“Half-Hourly Metering”	<b>Metered Data</b> provided from a <b>Meter</b> at half-hourly resolution (or smaller) for settlement purposes, and “ <b>Half-Hourly Metered</b> ” and “ <b>Half-Hourly Metered Data</b> ” shall be construed accordingly;
“Half-Hourly Settled”	a <b>Meter</b> whose <b>Half-Hourly Metering</b> is used directly to calculate the half-hourly imbalance position attributable to a <b>Responsible Party</b> under and for the purposes of the <b>BSC</b> ;
<u>“Industrial &amp; Commercial”</u>	<u>for the purposes of these <b>DFS Procurement Rules</b>, and in relation to a <b>Unit Meter Point</b>, that it records consumption of premises at which a supply of electricity is not taken wholly or mainly for a domestic purpose;</u>
“IPR Claim”	as defined in paragraph 23 of these <b>DFS Procurement Rules</b> ;

“Manually Initiated”	the initiation of delivery of <b>DFS</b> from a <b>Unit Meter Point</b> by an action on the part of the owner and/or occupier of the premises associated with that <b>Unit Meter Point</b> in response to a communication from the <b>Registered DFS Participant</b> ;
“Market Information Report”	the <u>prevailing</u> report described in paragraph 7;
“Maximum Bid Size”	100MW;
“Meter”	means a device for measuring <b>Active Energy</b> ;
“Metered Data”	consumption data recorded by a <b>Meter</b> ;
“Metered Volume”	as defined in Schedule 3 of these <b>DFS Procurement Rules</b> ;
“Metering Equipment”	as defined in the <b>BSC</b> ;
“Minimum Bid Size”	1MW;
“Monthly Statement”	as defined in Schedule 2 of the <b>DFS Service Terms</b> ;
“MPAN” or “Meter Point Administration Number”	the unique reference number used to identify a <b>Boundary Meter</b> ;
“Non-Half-Hourly Settled”	a <b>Meter</b> whose <b>Metered Data</b> is subject to application of a load profile before being applied towards the calculation of the half-hourly imbalance position attributable to a <b>Responsible Party</b> under and for the purposes of the <b>BSC</b> ;
“Non-Participating”	means in respect of any <b>Unit Meter Point</b> allocated to a <b>DFS Unit</b> for a <b>Contracted Settlement Period</b> , that it is not <b>Participating</b> ;
“Opt-in”	in relation to any <b>Unit Meter Point</b> designated as such, that it is <b>Non-Participating</b> for all <b>Contracted Settlement Periods</b> unless the owner and/or occupier of the relevant premises notifies the <b>Registered DFS Participant</b> that it wishes to be <b>Participating</b> and, in the case of a <b>Related Sub-Meter</b> , that the owner(s) and/or occupier(s) of all such premises associated with each one of such <b>Related Sub-Meter(s)</b> so notify, and for such purpose such notification from the owner and/or occupier shall be either an indication of participation in response to a communication from the <b>Registered DFS Participant</b> (where <b>Manually Initiated</b> ) or confirmation and/or validation of the direct communication to the <b>Unit Meter Point</b> (where <b>Directly Instructed</b> );

“Opt-out”	in relation to any <b>Unit Meter Point</b> designated as such, that it is <b>Participating</b> for all <b>Contracted Settlement Periods</b> unless the owner and/or occupier of the relevant premises notifies the <b>Registered DFS Participant</b> that it does not wish to be <b>Participating</b> and, in the case of a <b>Related Sub-Meter</b> , that the owner(s) and/or occupier(s) of all such premises associated with each one of such <b>Related Sub-Meter(s)</b> so notify, and for such purpose such notification from the owner and/or occupier shall be either an indication of non-participation in response to a communication from the <b>Registered DFS Participant</b> (where <b>Manually Initiated</b> ) or rejection of the direct communication to the <b>Unit Meter Point</b> (where <b>Directly Instructed</b> );
“Participating”	in respect of any <b>Unit Meter Point</b> allocated to a <b>DFS Unit</b> and for a <b>Contracted Settlement Period</b> , and by reference to:-  <ol style="list-style-type: none"> <li>(1) whether that <b>Unit Meter Point</b> is designated as <b>Opt-in</b> or <b>Opt-out</b>; and</li> <li>(2) the nature of any notification from the relevant owner(s) and/or occupier(s) of the relevant premises upon being <b>Manually initiated</b> or <b>Directly Instructed</b> (as the case may be),</li> </ol> that demand reduction or demand increase (as applicable) is taken into account in the calculation of the <b>Delivered Demand Reduction Volume</b> of that <b>DFS Unit</b> ;
“Performance Data”	as defined in paragraph 6.1 of the <b>DFS Service Terms</b> ;
“ <u>Profile Class</u> ”	<u>the basic types of load profile used for electricity settlement of consumer premises;</u>
“Registered Unit Capacity”	in relation to any <b>DFS Unit</b> , the maximum <b>Demand Reduction Volume</b> capable of being delivered as <b>Demand Flexibility</b> as validated by <b>NGESO</b> ;
“Registered DFS Participant”	a <b>Registered Service Provider</b> who has registered with <b>NGESO</b> pursuant to the <b>Registration and Pre-Qualification Procedure</b> as eligible to participate in the procurement of the <b>Demand Flexibility Service</b> , which shall include acceding to the <b>DFS Procurement Documentation</b> ;
“Registered Service Provider”	an entity who has submitted the relevant <b>Registration Documents</b> and to whom <b>NGESO</b> has confirmed is subsequently registered as such in each case pursuant to the <b>Registration and Pre-Qualification Procedure</b> ;
“Registration and Pre-Qualification Procedure”	the procedure and processes described in Schedule 2 of these <b>DFS Procurement Rules</b> ;



“Registration Documents”	such documents and/or processes as <b>NGESO</b> may stipulate from time to time pursuant to the <b>Registration and Pre-Qualification Procedure</b> , including without limitation Forms A, B and C;
“Related Sub-Meters”	as defined in paragraph 4.5 of these <b>DFS Procurement Rules</b> ;
“Relevant Supplier”	with respect to any <b>Unit Meter Point</b> and the premises at which it is located, the holder of a <b>Licence</b> to supply electricity who is registered at the relevant time as the supplier of electricity to those premises;
“Retained EU Law”	as defined by section 6(7) of the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement Act) 2020;
“Service Requirement”	as defined in paragraph 10.3 of these <b>DFS Procurement Rules</b> ;
“Settlement Data”	as defined in paragraph 8.2 of the <b>DFS Service Terms</b> ;
“Single Market Platform”	the online platform hosted by <b>NGESO</b> comprising (inter alia) the <b>Registration and Pre-Qualification Procedure</b> and which facilitates the registration of <b>Registered DFS Participants</b> and <b>DFS Units</b> ;
“Sub-Meter”	a <b>Meter</b> which is either an <b>Asset Meter</b> or a <b>Meter</b> which meets the eligibility requirements in the <b>BSC</b> to be an <b>Asset Meter</b> ;
“Supplier Base BM Unit”	a <b>BM Unit</b> registered to a licensed supplier pursuant to paragraph 3.3.1 of Section K of the <b>BSC</b> ;
“Unit Meter Point”	either a <b>Boundary Meter</b> or a <b>Sub-Meter</b> in either case measuring consumption or demand of relevant premises or other <b>Plant</b> or <b>Apparatus</b> , as validated by <b>NGESO</b> pursuant to these <b>DFS Procurement Rules</b> ;
“Unit Meter Point Schedule”	the initial or any updated schedule of <b>Unit Meter Points</b> validated by <b>NGESO</b> pursuant to paragraphs 4 or 9 as the case may be;
“Utilisation Payments”	as defined in paragraph 7.1 of the <b>DFS Service Terms</b> ;
“Utilisation Price”	the price described as such in paragraph 11.5.4 of these <b>DFS Procurement Rules</b> and specified in the relevant <b>DFS Bid</b> ;
“Weekly Indicative Forecast”	as defined in paragraph 8.1 of these <b>DFS Procurement Rules</b> .

## Schedule 2 - Registration and Pre-Qualification Procedure

### Summary

For an entity to register as a **Registered DFS Participant**, it must first become a **Registered Service Provider** by submitting its corporate details onto **NGESO** systems and (if accepted) receiving a user ID.

Once registration is complete, a **Registered Service Provider** may then register with **NGESO** one or more **DFS Units**, each of a designated **DFS Unit Type** and with a **Registered Unit Capacity**, and in respect of which it may participate in **NGESO**'s procurement of the **Demand Flexibility Service**.

To become a **Registered DFS Participant**, a **Registered Service Provider** must however accede to the **DFS Procurement Documentation**.

### Process

Outlined below are the process for registration. Further detail will be provided from time to time by **NGESO** on the **Single Market Platform**. Whilst it is important that participants allow sufficient time to register and prepare for participation, **NGESO** will endeavour to allow participants some flexibility in relation to delivery where practicable.

- Step 1 – entity requests registration as a **Registered Service Provider** (and associated user IDs)
- Step 2 – **NGESO** validates registration and issues user IDs (*entity is now a **Registered Service Provider***)
- Step 3 – **Registered Service Provider** submits one or more **DFS Units** for registration, including details of **DFS Initiation Measures**
- Step 4 – **Registered Service Provider** applies for registration as a **Registered DFS Participant** including by acceding to **DFS Procurement Documentation**
- Step 5 – **NGESO** confirms registration of entity as **Registered DFS Participant** and approval of registration of **DFS Units** (*entity is now a **Registered DFS Participant***)
- Step 6 - ~~Registered Service Provider~~ **Registered DFS Participant** submits its initial **Unit Meter Point Schedule** for validation
- Step 7 – **NGESO** validates initial **Unit Meter Point Schedule** (*~~Registered Service Provider~~ **Registered DFS Participant** can now allocate **Unit Meter Points** to **DFS Units***)

Except where the contingency procedure applies (which is summarised below) Steps 1 to 5 are to be completed via the **Single Market Platform**, and the entity must ensure that all information submitted on the **Single Market Platform** is fully complete and correct.

In the event that the **Single Market Platform** is unable to be utilised to complete any or all of the above steps, **NGESO** may (at its discretion) implement a contingency procedure and notify this to participants in writing providing as much advance notice as is reasonably practicable in the circumstances. The contingency procedure may include completion of Steps 1 to 5 using Forms A, B and C, copies of which are available on the **Single Market Platform**, and registration of **DFS Units** under Step 3 by email submission of the 'DFS Provider Data Template' available on request from **NGESO**. The notification from **NGESO** informing participants that the contingency procedure has been implemented shall confirm the manner and timescales in which such documentation is to be submitted to **NGESO**.

References below to the **Single Market Platform** are to be construed as including the contingency procedure where applicable, unless the context otherwise requires.

### *Registration as Registered Service Provider*

Each participant is required to submit its corporate details.

In addition, where it has not already done so, each participant must ensure that it has completed the necessary vendor setup forms that are outlined on **NGESO's** Settlement webpage to be set up as a vendor on **NGESO's** systems. These should be submitted as soon as possible ~~via the Single Market Platform~~ so that **NGESO** can make payments in a timely manner in accordance with the **DFS Service Terms**.

### *Registration of DFS Units*

**Registered Service Providers** are able to create **DFS Units** via the **Single Market Platform**.

Each **DFS Unit** must be of a specified **DFS Unit Type**, and upon submission of any **DFS Bid** with respect to that **DFS Unit** there shall be allocated to it one or more **Unit Meter Points** as appropriate to its **DFS Unit Type**. For a **DFS Unit** designated as 'Hybrid', there may be allocated any **Unit Meter Point** regardless of whether ~~'Domestic'~~ **Domestic** or **Industrial & Commercial (I&C)**.

Each **DFS Unit** shall have a **Registered Unit Capacity** which shall not be less than 1 MW and not more than 100 MW (unless otherwise specified by **NGESO**).

The registration of a **DFS Unit** will not be approved by **NGESO** until **NGESO** has approved the registration of the **Registered Service Provider** as a **Registered DFS Participant**.

Further restrictions on **DFS Units** are set out in paragraph 4 of these **DFS Procurement Rules**.

### *Validation of Unit Meter Points*

**Registered ~~Service Providers~~ DFS Participants** shall submit **Unit Meter Points** for validation by **NGESO** via submission of an initial or updated **Unit Meter Point Schedule** using such process as **NGESO** shall specify from time to time.

A **Unit Meter Point** may not be submitted for validation more than once at any time (either by the same or different **Registered ~~Service Providers~~ DFS Participants**), and any duplications will be removed and the **Unit Meter Point** in question must be re-submitted for validation. A **Unit Meter Point** which is a **Boundary Meter** may not be included on a **Unit Meter Point Schedule** where one or more associated **Sub-Meters** are also included, and similarly no **Unit Meter Points** which are **Sub-Meters** may be included in a **Unit Meter Point Schedule** where the associated **Boundary Meter** is also included

When resolving the above, **NGESO** will take into account the **Unit Meter Point** with the latest timestamp.

Each **Unit Meter Point** must be identified as being either **Manually Initiated** or **Directly Instructable**, and as either **Opt-In** or **Opt-Out**, and **Registered ~~Service Providers~~ DFS Participants** are required to provide a description of the **DFS Initiation Measures**.

The validation of **Unit Meter Points** will not be confirmed by **NGESO** until **NGESO** has approved the registration of the **Registered Service Provider** as a **Registered DFS Participant**.

### *Registration as Registered DFS Participant*

To be registered as a **Registered DFS Participant** for eligibility to submit **DFS Bids**, a participant must accede to the **DFS Procurement Documentation** via the **Single Market Platform**.

Each **Registered DFS Participant** must have the ability to implement the relevant **DFS Initiation Measures** for all **Unit Meter Points** allocated from time to time to its **DFS Units**, and for each **DFS Unit** for which it submits **DFS Bids** it must have access to relevant data with respect to each of those **Unit Meter Points** as more particularly described in paragraph 13 of these **DFS Procurement Rules**.

### *Changes to registration status*

If **Registered DFS Participants** wish to change the registration status of a **DFS Unit**, including increasing its **Registered Unit Capacity**, this must be done as described above (on the **Single Market Platform** or using any contingency arrangements where applicable). Any increase in **Registered Unit Capacity** must be accompanied by an explanation of any changes to the associated **DFS Initiation Measures**.

All queries and communications shall be made via a **Registered DFS Participant's** account manager or [commercial.operation@nationalgrideso.com](mailto:commercial.operation@nationalgrideso.com).

### *Participants in DFS Winter 22/23*

For the avoidance of doubt, with respect to the **DFS Procurement Period**:-

any **Registered Service Provider** which was registered as a **Registered DFS Participant** as at March 2023 does not need to re-register for eligibility to submit **DFS Bids**;

where any such **Registered DFS Participant** had created **DFS Units** as at March 2023, those **DFS Units** (as updated to meet the requirements of these **DFS Procurement Rules**) shall remain valid for submission of **DFS Bids**; and

any **Unit Meter Points** which were validated by **NGESO** for delivery of **DFS** as at March 2023 will need to be resubmitted to **NGESO** for validation for delivery of **DFS** during the **DFS Procurement Period**.

## Schedule 3 – DFS Operational Baselines

In this Schedule 3:

“Baseline Value” shall have the meaning given in this Schedule 3;

“Eligible Day” shall have the meaning given in this Schedule 3;

“Energy Contract Volume Notification” shall be as defined in the **BSC**;

“Event Day” shall have the meaning given in this Schedule 3;

“In Day Reference Window” shall have the meaning given in this Schedule 3;

“Metered Volume” shall mean the energy volume as metered by the **HH Unit Meter Point**;

“Metering System” shall mean all the components making up the **Unit Meter Point**;

~~“Microbusinesses” shall mean a domestic sized **Unit Meter Point** that the **Registered DFS Participant** can identify as being used predominantly for business purposes;~~

“Non-Working day” shall mean a Settlement Day that is not a **Working Day**;

“Settlement Day” shall mean the period from 00:00 hours to 24:00 hours on each day;

“Unadjusted Baseline Value” shall have the meaning given in this Schedule 3;

“Working Day” shall mean a day (other than a Saturday or a Sunday) on which banks are open in London for general interbank business in Sterling;

Where a term is defined in this Schedule 3 and also in the **Balancing Services Glossary of General Terms and Rules of Interpretation**, the former shall apply.

Baselining is required to calculate the actual demand reduction delivered at **DFS Unit** level. One baseline method will be employed in the **Demand Flexibility Service**. The methodology outlined in BSC P376 'Utilising a Baselining Methodology to set Physical Notifications' (methodology id: BL01), which has been previously approved by the Authority in another context, will be applied to all **DFS Units** without the final in day adjustment (as described in the P376 Baselining Methodology).

Table 1 below summarises the key features of the P376 Baselining Methodology:

Methodology Id	Data range	Selection criteria	Selected data	Working Day	Non-Working Day
BL01	Sixty most recent <b>Days</b>	Is a like <b>Day</b> (e.g. Working/Non-Working Day)	Up to ten most recent <b>Days</b> for <b>Working Days</b> , four more recent days for Non-Working Days	Straight average over available data	Straight average of middle two <b>Days</b>

### Baselining Methodology BL01

The process by which Baselining Methodology BL01 calculates Baseline Values for a **Unit Meter Point** on a given **Settlement Day D** can be summarised as follows:

1. Identify the required number of previous Settlement Days of the same type (**Working Day** or **Non-Working Day**) for which **Metered** data is available. If insufficient Settlement Days are available, the Baseline Value will default to the **Metered** data for the same **Settlement Period**

(i.e. the Baseline will equal the out-turn **Metered** data), and the Metering System(s) in the **Unit Meter Point** will be reported to the **Lead Party** as having insufficient data.

2. For each **Settlement Period**, calculate an Unadjusted Baseline Value (for the **Unit Meter Point**) by averaging the **Metered** data values of the corresponding **Settlement Period** in some or all of the previous Settlement Days identified in step 1.

#### BL01 Step 1 – Identify historical days with metered data

Step 1 of the BL01 process is to identify the historical Settlement Days (in the sixty-day window from day D–60 to day D–1) that will be used to calculate the **DFS Operational Baseline**. The process begins with identifying all “Eligible Days” for each relevant **Unit Meter Point** i.e. Settlement Days in the sixty-day window that:

- are of the same time type (**Working Day** or **Non-Working Day**) as day D;
- have **Half-Hourly (HH) Metered** data available for the **Unit Meter Point**
- are not Event Days; and
- are not ‘clock change’ days (i.e. the calendar days at the start and end of British Summer Time, currently the last Sunday of March and October).

An Event Day for these purposes is a Settlement Day containing a **Settlement Period** in respect of which **NGESO** issued a **DFS Acceptance** and the relevant **Unit Meter Point** (1) has associated to it an owner or occupier which confirmed to the **Registered DFS Participant** as part of implementation of the **DFS Initiation Measures** that it accepted participation in delivery of **DFS** in that **Settlement Period** and (2) was not otherwise **Non-Participating**.

Having identified the Eligible Days, those used to calculate the **DFS Operational Baseline** will be selected (four for a **Non-Working Day**, and up to ten for a **Working Day**), in accordance with Table 2 below:

Day Type	No. of Eligible Days identified in the 60-day window	Historical Settlement Days used to calculate the baseline
<b>Working Day</b>	Ten or more Eligible Days	Ten most recent Eligible Days
<b>Working Day</b>	Five to nine Eligible Days	All Eligible Days
<b>Working Day</b>	Less than five Eligible Days	Baseline Values default to out-turn metered data for the Metering System(s) in the <b>Unit Meter Point</b> , and they will be reported to the <b>Lead Party</b> as having insufficient data.
<b>Non-Working Day</b>	Four or more Eligible Days	Four most recent Eligible Days
<b>Non-Working Day</b>	Less than four Eligible Days	Baseline Values will default to out-turn metered data for the Metering System(s) in the <b>Unit Meter Point</b> , and they will be reported to the <b>Lead Party</b> as having insufficient data.

#### BL01 Step 2 – Calculate Unadjusted Baseline Value

Step 2 of the BL01 methodology is to calculate an Unadjusted Baseline Value (for each **Settlement Period** of the Settlement Day D), as follows:

- a) Identify the subset of historical Settlement Days (identified in step 1) that will be used to calculate the Unadjusted Baseline Value:
  - For a **Working Day**, all of the six to ten Eligible Days identified in step 1 will be used; and

- For a **Non-Working Day**, two of the four Eligible Days identified in step 1 will be used. The two selected will be the middle 2 of the four (ranking them in order of the total **Unit Meter Point** Metered Volume, summed over the Settlement Day)
- b) For each Settlement Period in Settlement Day D, calculate the Unadjusted Baseline Value as the arithmetic mean of the **Unit Meter Point HH** Metered Volume in the corresponding **Settlement Period** of each of the historical days identified in step (a).

#### **Treatment of Clock Change Days**

Where Settlement Day D is a clock change day, step (c) must take this into account when identifying the corresponding **Settlement Period** in each historical Settlement Day. When Settlement Day D is a 'long day', containing fifty **Settlement Periods**, the mapping is as follows:

- **Settlement Periods** 1-2 on Settlement Day D correspond to **Settlement Periods** 1-2 on the historical Settlement Day;
- **Settlement Periods** 3-4 on Settlement Day D also correspond to **Settlement Periods** 1-2 on the historical Settlement Day; and
- **Settlement Periods** 5-50 on Settlement Day D correspond to **Settlement Periods** 3-48 on the historical Settlement Day.

When Settlement Day D is a 'short day', containing forty-six **Settlement Periods**, the mapping is as follows:

- **Settlement Periods** 1-2 on Settlement Day D correspond to **Settlement Periods** 1-2 on the historical Settlement Day; and
- **Settlement Periods** 3-46 on Settlement Day D correspond to **Settlement Periods** 5-48 on the historical Settlement Day.

Note that these are the same rules used for Energy Contract Volume Notifications (in Section P of the BSC).

#### **BL01 Step 3 – Calculate Baseline Values**

For each **Unit Meter Point** (and each **Settlement Period** within Settlement Day D), Baseline Value is the same as its Unadjusted Baseline Value.