

# **Applicable Balancing Services Volume Data Methodology Statement**

**Effective Date: 2nd November 2023**

**Version Number: 16.0**

**Published in accordance with Standard Condition C16 of  
National Grid Electricity System Operator Transmission  
Licence**

## **Version Control**

<b>Date</b>	<b>Version No.</b>	<b>Notes</b>
<b>07.02.03</b>	<b>1.0</b>	<b>Initial version</b>
<b>28.11.03</b>	<b>1.1</b>	<b>Revision to incorporate Maximum Generation Service and Commercial Intertrips as an Applicable Balancing Services</b>
<b>04.10.04</b>	<b>2.0</b>	<b>Revisions to incorporate changes as a result of CAP071: the development of Maximum Generation Service</b>
<b>01.01.05</b>	<b>2.1</b>	<b>Revisions to incorporate changes relating to BETTA</b>
<b>15.7.05</b>	<b>2.2</b>	<b>Revisions to incorporate changes as a result of CAP076: Treatment of System to Generating Intertripping Schemes</b>
<b>01.04.07</b>	<b>2.3</b>	<b>Revisions to incorporate Short Term Operating Reserve (STOR)</b>
<b>01.04.11</b>	<b>3.0</b>	<b>Revision following annual review</b>
<b>01.04.13</b>	<b>4.0</b>	<b>Revision following annual review</b>
<b>01.04.14</b>	<b>5.0</b>	<b>Revision following annual review</b>
<b>01.04.16</b>	<b>6.0</b>	<b>Revision following annual review</b>
<b>01.04.17</b>	<b>7.0</b>	<b>Revision following annual review</b>
<b>15.11. 17</b>	<b>7.1</b>	<b>Proposed changes as a result of C16 ABSVD workgroup discussions</b>
<b>1.04.18</b>	<b>8</b>	<b>Revision following annual review</b>
<b>01.04.19</b>	<b>9</b>	<b>Revision following annual review</b>
<b>01.04.20</b>	<b>10</b>	<b>Planned 2020 release</b>
<b>01.04.21</b>	<b>11</b>	<b>Revisions following annual consultation</b>
<b>01.04.22</b>	<b>12</b>	<b>Revision following annual review</b>

<b>24.10.22</b>	<b>13</b>	<b>Revision following additional review to incorporate changes required for the 2022/23 Winter Contingency Services.</b>
<b>04.11.22</b>	<b>14</b>	<b>Revision following additional review to incorporate changes required for the Demand Flexibility Service.</b>
<b>01.04.23</b>	<b>15</b>	<b>Revision following annual review</b>
<b>02.11.23</b>	<b>16</b>	<b>Revision following additional review to incorporate changes required for Demand Flexibility Service, Local Constraints Market</b>

This Statement has been developed in consultation with the industry and the Authority. The Statement may only be modified in accordance with the processes set out in Standard Condition C16 of the Transmission Licence.

The latest version of this document is available, together with the relevant change marked version (if any), electronically from the National Grid ESO Website:

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

Alternatively, a copy may be requested from the following address:

Head of Markets  
National Grid Electricity System Operator  
Faraday House  
Warwick Technology Park  
Gallows Hill  
Warwick CV34 6DA

Email address: [BalancingServices@nationalgrideso.com](mailto:BalancingServices@nationalgrideso.com)

# CONTENTS

## **PART A Introduction**

1. Purpose of Document

## **PART B Applicable Balancing Services Volume Data for BM participants**

1. Basis of Calculation
  - 1.1 Variables included in the ABSVD
  - 1.2 Balancing Services for inclusion in the ABSVD
  - 1.3 ABSVD Provision
  - 1.4 Re-submission of ABSVD

## **PART C Applicable Balancing Services Volume Data for Non-BM Providers**

## **PART D ABSVD Methodology for BM participants**

1. Principles
2. Notification Procedure
3. Disputes
4. Worked Examples
  - 4.1 Provision of Mode A Frequency Response
  - 4.2 Provision of Short Term Operating Reserve

## **PART E ABSVD Methodology for Non-BM Providers**

1. Principles
2. Disputes
3. Calculation of ABSVD

## **PART A: INTRODUCTION**

### **1. Purpose of Document**

This document sets out the Applicable Balancing Services Volume Data Methodology that National Grid Electricity System Operator Limited (NGESO) is required to establish in accordance with Standard Condition C16 of the Transmission Licence. The purpose of this Statement is to set out the information on Applicable Balancing Services that will be taken into account under the Balancing and Settlement Code for the purposes of determining Imbalance Volumes.

This Statement has been developed in consultation with the industry and the Authority. The Statement may only be modified in accordance with the processes set out in Standard Condition C16 of the Transmission Licence. Where we buy, sell or acquire a Balancing Service of a kind or under a mechanism which potentially affects a Party's imbalance position, and it is not covered by this Statement then we shall promptly seek to establish a revised Statement covering such Balancing Services and/or mechanisms in accordance with the relevant provisions of Standard Condition C16 of the Transmission Licence.

The Statement makes reference to a number of definitions contained in the Grid Code, the Connection and Use of System Code and the Balancing and Settlement Code. In the event that any of the relevant provisions in the Grid Code, the Connection and Use of System Code or the Balancing and Settlement Code are amended it may become necessary for us to modify the Statement in order that it remains consistent with the Grid Code, the Connection and Use of System Code and the Balancing and Settlement Code.

In any event, where our statutory obligations or the provisions of the Grid Code are considered inconsistent with any part of this Statement, then

the relevant statutory obligation and/or Grid Code provision will take precedence.

Unless defined in this Statement, terms used herein shall have the same meanings given to them in the Transmission Licence, the Grid Code, the Connection and Use of System Code and/or the Balancing and Settlement Code as the case may be. In this Statement, all references to 'National Grid' shall mean NGENSO , being the National Electricity Transmission System Operator for the purposes of the Balancing and Settlement Code.

For the purposes of this methodology only:

"Non-BM Provider" is taken to mean a party where the Supplier is responsible for the imbalance volumes associated with the Applicable Balancing Services contract in their Base BMUs.

The latest version of this document is available electronically from the National Grid ESO Website:

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

Alternatively, a copy may be requested from the following address:

Head of Markets

National Grid Electricity System Operator

Faraday House

Warwick Technology Park

Gallows Hill

Warwick CV34 6DA

Email address: [BalancingServices@nationalgrideso.com](mailto:BalancingServices@nationalgrideso.com)

## PART B: APPLICABLE BALANCING SERVICES VOLUME DATA 'ABSVD' FOR BM PARTICIPANTS

### 1. Basis of Calculation

#### 1.1 Variables included in the ABSVD

The ABSVD is specified in Section Q, Paragraph 6.4 of the Balancing and Settlement Code and consists of  $QAS_{ij}$ , being the *Applicable Balancing Services Volume Data* in respect of BM Unit  $i$ , in Settlement Period  $j$ , determined in accordance with this Statement.

The Applicable Balancing Services Volume Data is used in the calculation of Period BM Unit Balancing Services Volume,  $QBS_{ij}$ .  $QBS_{ij}$  is the volume of all energy associated with balancing services used in the determination of imbalance. It consists of the volume of Bid Offer Acceptances plus the Applicable Balancing Services Volume Data. The determination of  $QBS_{ij}$  is specified in Section T, Paragraph 4.3.2 of the Balancing and Settlement Code:

$$QBS_{ij} = \sum^n (QAO^{n_{ij}} + QAB^{n_{ij}}) + QAS_{ij}$$

where  $\sum^n$  represents the sum over all Bid-Offer Pair numbers for the BM Unit.

$QBS_{ij}$  is the volume of Balancing Services per BM Unit. For determination of the account's imbalance volume, it is necessary to determine the Balancing Services volume delivered across the account,  $QABS_{aj}$  (the Account Period Balancing Services Volume). This is determined as the sum across the energy account of the Balancing Services volume for each BM unit, multiplied by the applicable loss factor, as specified in Section T, paragraph 4.6.2 of the Balancing and Settlement Code.

$$QABS_{aj} = \sum_i QBS_{ij} \times TLM_{ij}$$



Where  $\Sigma_i$  represents the sum over all BM Units for which such Energy Account is the corresponding Energy Account of the Lead Party.

The Account Energy Imbalance Volume,  $QAEI_{aj}$ , is the difference between the energy credited to the account, less the contract position and the Account Period Balancing Services Volume, as specified in accordance with section T, paragraph 4.6.3 of the Balancing and Settlement Code.

$$QAEI_{aj} = QACE_{aj} - QABS_{aj} - QABC_{aj}$$

The Account Energy Imbalance Volume is then multiplied by System Sell Price for positive imbalance volume and System Buy Price for negative imbalance volume to give the Energy Imbalance Cashflows as specified in Section T, Paragraph 4.7 of the Balancing and Settlement Code.

## **1.2 Balancing Services for inclusion in the ABSVD**

Balancing Services are defined in the Transmission Licence and described in more detail in the Procurement Guidelines, which National Grid is required to establish in accordance with Standard Condition C16 of the Transmission Licence. The purpose of the Procurement Guidelines is to set out the kinds of Balancing Services which we may be interested in purchasing, together with the mechanisms by which we envisage purchasing such Balancing Services. ABSVD covers a subset of the Balancing Services that we intend to procure. Reference in this section to a non-BM provider is a reference to a provider dispatched by National Grid outside the Balancing Mechanism. The reporting mechanism describes a non-BM provider without its own individual BMU, if National Grid dispatches a provider outside the BM (for non-BM STOR, non-BM Fast Reserve, non-BM MW Dispatch service, non-BM Local Constraint Market (LCM) and non-BM Demand Flexibility Service (DFS)) who has its own BMU then the ABSVD energy will be allocated to the BMU.

In general, Balancing Services, deemed to be Applicable will be those services required by the System Operator for economic operation of the transmission system, that result in the service provider being exposed to imbalance charges whilst assisting in system balancing. For the avoidance of doubt a consultation will be carried out prior to any further Balancing Services being included in the calculation of ABSVD.

The following Applicable Balancing Services contracts will be included in the calculation of the ABSVD:

- **Short Term Operating Reserve (STOR)** – Utilisation volumes for BM Participants will be dealt with automatically via the BM and will feed into the **energy** imbalance position via the acceptance of an Offer.
- **Negative slow reserve (NSR) BM** - Utilisation volumes for BM Participants will be dealt with automatically via the BM and will feed into the energy imbalance position via the acceptance of an Offer.
- **Mode A Frequency Response** – Energy volumes will be determined in accordance with paragraph 4.1.3.9A of the Connection and Use of System Code.
- **Frequency Response other than Mode A Frequency Response** – Utilisation volumes will be determined in accordance with system frequency and the characteristic of the response service.
- **Fast Reserve** – Utilisation volumes for participants within the Balancing Mechanism will be dealt with automatically via the BM and will feed into the energy imbalance position via the acceptance of an Offer.

- **Commercial Intertrips** – Energy volumes as a result of the operation of the commercial intertrip will be calculated in accordance with the relevant Commercial Services Agreement.
- **Fast De-Load Service (a type of constraint management service)** – Energy volumes as a result of an instruction to fast de-load will be calculated in accordance with the relevant Commercial Services Agreement.
- **Maximum Generation Service** – Utilisation volumes will be calculated in accordance with the CUSC, the relevant Commercial Services Agreement and the methodology contained in Part C of this Statement.
- **System to Generator Operational Intertripping** - Utilisation volumes will be calculated in accordance with Part C of this Statement. For the avoidance of doubt, where an intertripping scheme is a Category 1 Intertripping Scheme as defined in the CUSC and determined within a generator's Bilateral Connection Agreement,  $SF_{sm}$ , will always be 0.
- **Operational Downward Flexibility Management (ODFM)** – Utilisation volumes will be determined in accordance with the characteristic of the service
- **Dynamic Containment (BM only)**  
Utilisation volumes will be determined in accordance with system frequency and the characteristic of the response service.
- **Dynamic Moderation (BM only)** Utilisation volumes will be determined in accordance with system frequency and the characteristic of the response service

- **Dynamic Regulation (BM only)** Utilisation volumes will be determined in accordance with system frequency and the characteristic of the response service
- **Demand Flexibility Service** - NGESO plans to apply Applicable Balancing Services Volume Data (ABSVD) process to HH-settled volumes covering 1) the Industrial and Commercial (I&C) consumers via P354 'Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level' (No BMU ID aggregation) and 2) Domestic consumers whose MPAN is signed up to provide DFS with supplier, via ELEXON BMU ID.

**Local Constraint Market** – NGESO Plans to apply Applicable Balancing Services Volume Data (ABSVD) process to HH-settled volumes covering 1) the Industrial and Commercial (I&C) consumers via P354 'Use of ABSVD for non-BM Balancing Services at the Metered (MPAN) level' (No BMU ID aggregation and 2) Domestic Consumers whose MPAN permits (is HH-settled). Note: for the avoidance of doubt for all non-domestic, non-I&C ABSVD is unchanged.

### **1.3 ABSVD Provision**

ABSVD will be submitted in accordance with section Q, Paragraph 6.4 of the Balancing and Settlement Code. In outline this entails the submission of ABSVD within two Business Days following the relevant Settlement Day.

## **1.5 Re-submission of ABSVD**

In the event that an error is identified in the ABSVD, the data will be re-submitted, as soon as reasonably practicable, once the corrected data is available.

## **PART C: APPLICABLE BALANCING SERVICES VOLUME DATA 'ABSVD' FOR NON-BM PROVIDERS**

### **1. Balancing Services for inclusion in the ABSVD**

Balancing Services are defined in the Transmission Licence and described in more detail in the Procurement Guidelines, which National Grid is required to establish in accordance with Standard Condition C16 of the Transmission Licence. The purpose of the Procurement Guidelines is to set out the kinds of Balancing Services which we may be interested in purchasing, together with the mechanisms by which we envisage purchasing such Balancing Services. ABSVD covers a subset of the Balancing Services that we intend to procure.

The following Applicable Balancing Services contracts with Non-BM Providers will be included in the calculation of the ABSVD:

- Short Term Operating Reserve (STOR)
- Negative Slow Reserve (NSR)
- Fast Reserve
- Demand Turn Up
- Operational Downward Flexibility Management (ODFM) if technically possible
- MW Dispatch Service
- Local Constraint Market
- Demand Flexibility Service (DFS) only for Industrial and Commercial consumers via P354

Non-BM Dynamic Containment, Non-BM Dynamic Moderation and Non-BM Dynamic Regulation utilisation volumes will be determined in accordance with system frequency and the characteristic of the response service. This will be included once technically feasible and system development is complete.

LCM - NGENSO plan to submit applicable Balancing Services Volume Data to Elexon with respects to delivered HH-settled volumes with

Supplier, where it is feasible to do so. The commercial arrangements between Suppliers/Aggregators and their customers delivering for this service would be outside of NGESOs remit

ABSVD will not be calculated for Frequency Response services with Non-BM Providers under this methodology, save for the services listed above.

For the avoidance of doubt a consultation will be carried out prior to any further Balancing Services with Non-BM Providers being included in the calculation of ABSVD.

## **2. ABSVD Calculation for Non-BM Providers**

The imbalances associated with an Applicable Balancing Service provided by a Non-BM Provider (the Balancing Service Provider (BSP) are attributed to the relevant Supplier (the Balancing Responsible Party (BRP)). An adjustment will be made to the BRP's imbalance account to ensure this takes into account the volumes provided to National Grid under an Applicable Balancing Services contract with a Non-BM Provider. ELEXON will calculate Non BM Unit ABSVD for each impacted BRP in accordance with the BSC, which will be used to correct BRP imbalance positions.

The Non-BM ABSVD volumes will take the form of delivered volumes of Applicable Balancing Services, collared at the instructed amount, by MSID pair and by settlement period. This will be applied to all sites within the Applicable Balancing Services contract irrespective of the complexity. The requirement to provide the necessary data to meet these requirements will be part of the contract terms for each Applicable Balancing Service. For STOR, these collared delivered volumes will be

based on metered delivered volumes known as “backing data” sent by National Grid to the provider.

When National Grid receives this data, they will validate the volumes by confirming that they do not exceed the total instructed volume. These will then be passed to Elexon who will then neutralise them against the relevant Supplier Energy Account. Any volumes outside those relating to the Applicable Balancing Service (i.e. over-delivery) will not be part of this data pass-through and therefore these volumes will not be applied to the relevant Supplier’s account for imbalance neutralisation.

**3. ABSVD provision for Applicable Balancing Services from Non-BM Providers**

For Applicable Balancing Services delivered by Non-BM Providers, ABSVD data in the form of collared delivered volumes by MSID pairs will be submitted by National Grid to Elexon at the earliest date possible, by no later than 42 Business Days following the relevant Settlement Day.

**4. Re-submission of ABSVD**

In the event that an error is identified in this data, the data will be re-submitted and corrected, as soon as reasonably practicable, but not later than the Final Reconciliation Run, once the corrected data is available.



## PART D: ABSVD METHODOLOGY FOR BM PARTICIPANTS

### 1. Principles

$QAS_{ij}$  will be determined in accordance with the following formula:

$$QAS_{ij} = \sum_{s \in I} (SE_{sj} \times SF_{sm})$$

where:

$\sum_{s \in I}$  is the summation across all Ancillary Service and Other Service provision (as referred to in the definition of Balancing Services within the Transmission Licence and described more fully in Parts B and C of the Procurement Guidelines),  $s$ , that contribute to the production or consumption of BM Unit  $i$ .

$m$  is the relevant calendar month

$s$  is the number of a discrete Ancillary Service or Other Service provision.

$SE_{sj}$  Is the expected energy delivered by Ancillary Service or Other Service,  $s$ , in Settlement Period  $j$  as indicated below.

$SF_{sm}$  is the Service Flag for Service  $s$  in calendar month  $m$ . It takes a value of 0 or 1.

#### Determination of $SF_{sm}$

National Grid will allocate values as follows:

- i. In the case of Category 1 System to Generator Operational Intertipping,  $SF_{sm}$  will always = 0. This is in line with the requirements set out under the CUSC.

- ii. In all other cases,  $SF_{sm}$  will always =1

Determination of  $SE_{sj}$

Where service s is a Frequency Response service:

$$SE_{sj} = \int_0^{SPD} FR_{ij}(t) dt$$

where

$FR_{ij}(t)$  is defined in accordance with section 4, sub section 1, paragraph 4.1.3.9A of CUSC, except that:

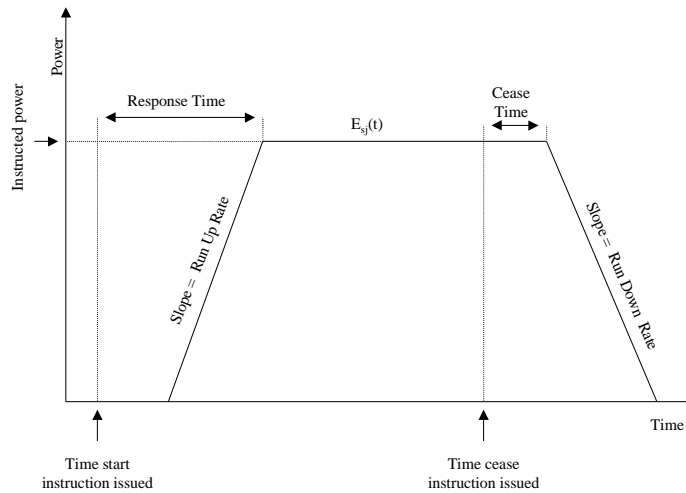
- i. Reference to i should be construed as referring to the relevant service, s;
- ii. Reference to the Mandatory Service Agreement should be construed as the relevant service agreement; and
- iii. Reference to Mode A Frequency Response should be construed as the relevant frequency response.

Where service s is fast reserve, STOR, or occasional (non-dynamic) response (and a bid offer acceptance is not issued in respect of the service call off):

$$SE_{sj} = \int_0^{SPD} E_{sj}(t) dt$$

Where

$E_{sj}(t)$  is the required energy from service  $s$ , time  $t$  from the start of settlement period  $j$ . The required energy is determined with reference to Figure 1 below.



**Figure 1 Graph showing determination of  $E_{sj}(t)$**

where

Time start instruction issued

Is the time that National Grid issues an instruction to the service provider to start delivering the service, and the instruction is not subsequently rejected as being incorrectly issued. For the avoidance of doubt, instruction includes a signal from a relay (or other equipment) owned by National Grid to initiate the delivery of an occasional (non-dynamic) response service.

Time cease instruction issued

Is the time that National Grid issues an instruction to the service provider to cease delivering the service.

Response time	Is the time agreed between the provider and National Grid that it will take for the service to be fully delivered from the time the start instruction is issued. In the event that no time has been agreed, it will take the value 0 seconds.
Cease time	Is the time agreed between the provider and National Grid that it will take between a cease instruction been issued and the provider starting to cease delivery. In the event that no time has been agreed, it will take the value 0 seconds.
Run Up Rate	Is the rate agreed between the provider and National Grid that the provider will change load at, in response to a start instruction. In the event that no value has been agreed, it will be deemed to be infinite.
Run Down Rate	Is the rate agreed between the provider and National Grid that the provider will change load at, in response to a cease instruction. In the event that no value has been agreed it will be deemed to be infinite.
Instructed Power	Is the change in power production or consumption instructed by National Grid in accordance with the agreement between the provider and National Grid.

Where service s is the Maximum Generation Service,

$$SE_{sj} = \text{Min} (Q_{\text{max}ij}, X * \text{CEC}/2)$$

Qmax <sub>ij</sub>	Is the calculated Maximum Generation Service volume as defined by $\text{Max} (QM_{ij} - (FPN_{ij} + \Sigma(QAB^{n_{ij}} + QAO^{n_{ij}})), 0)$
X	is 0.03 or such figure as may be either: (i) set out in the Maximum Generation Service Agreement for the available BM Unit or (ii) agreed or determined in accordance with Paragraphs 4.2.5.3 to 4.2.5.5 (inclusive) of the CUSC.
CEC	Connection Entry Capacity for the Available BM Unit as defined in the CUSC
QM <sub>ij</sub> , QAB <sup>n<sub>ij</sub></sup> , QAO <sup>n<sub>ij</sub></sup> , FPN <sub>ij</sub> (t)	Have the meanings ascribed to them in the Balancing and Settlement Code
MEL	Maximum Export Limit as defined in the Grid Code

For the avoidance of doubt, any Maximum Generation Service volume delivered in excess of X multiplied by CEC will be subject to the dispute provision set out in Paragraph 4.2.5 of CUSC. Any volume in excess of X multiplied by CEC will not be classed as an Applicable Balancing Services volume unless otherwise agreed or directed in accordance with the dispute provision set out in Paragraph 4.2.5 of CUSC.

The above calculation will be applied from the start of the settlement period during which the Maximum Generation Service Emergency Instruction has been issued until the end of the settlement period for which the Maximum Generation Service Emergency Instruction is ceased.

The volume identified as Maximum Generation Service (assuming that a settlement period does not end following the issue of a 'cease' instruction, but prior to the return of output to MEL) using the above calculation is demonstrated in Fig 2 below.

BM Offers  
accepted

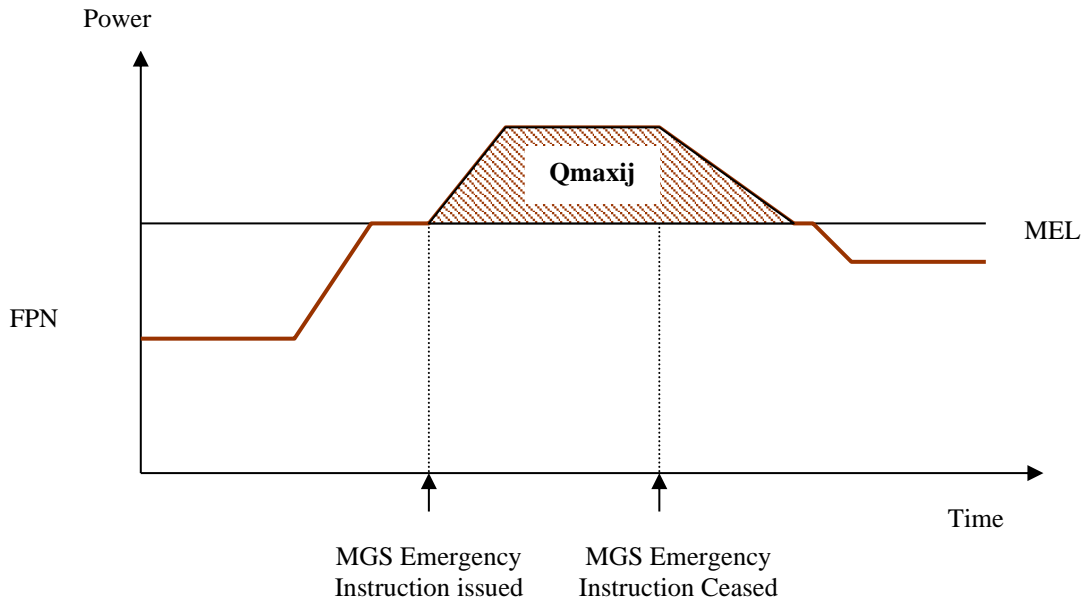


Figure 2 – Graph showing calculation of  $Q_{maxij}$

Where Service  $s$  is System to Generator Operational Intertipping Scheme, Commercial Intertipping Scheme or Fast De-Load Service,  $SE_{sj}$  will be equal to the reduction in output calculated from the time of the intertrip firing or the fast de-load instruction until the end of the Balancing Mechanism Window Period. The volume output reduction (in MWh) over this period is equal to the integral of spot (MW) Final Physical Notification (FPN), plus the sum of all accepted Bid and Offer spot (MW) values covered by the period. Where an intertrip or fast de-load occurs on a modular BMU and does not affect all generating units that make up that BMU, the output of the remaining generating

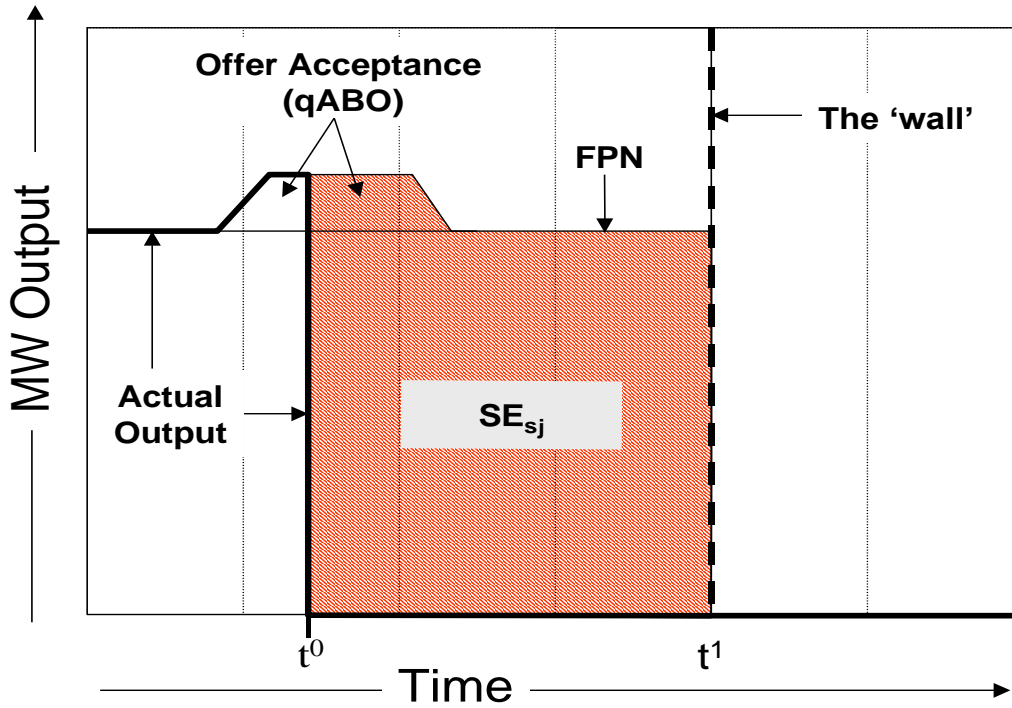
units will be taken off the total volume such that  $SE_{sj}$  reflects the volume (MWh) associated with the intertrip or fast de-load. This is shown algebraically below:

$$\int_{t_0}^{t_1} \left( FPN_{ij}(t) + \sum^k (qABO^{kn}_{ij}(t)) - QM_{ij}(t) \right) dt$$

**Where**

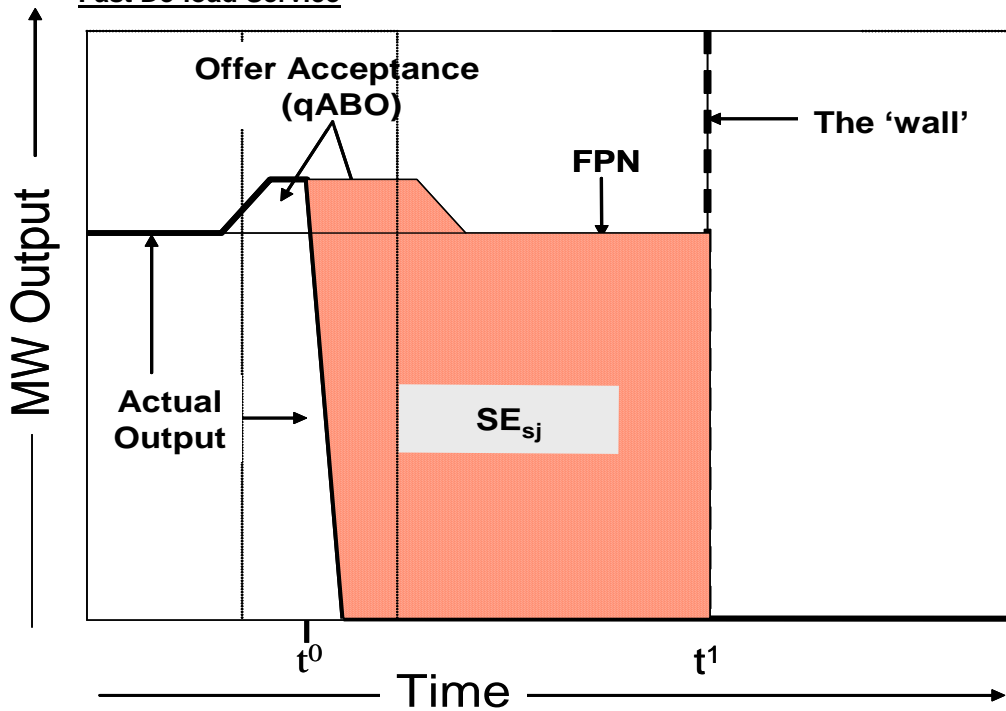
- $t_0$  = time of intertrip firing or fast de-load instruction
- $t_1$  = time at end of Balancing Mechanism Window Period
- $FPN_{ij}(t)$  = Final Physical Notification as defined within the BSC
- $qABO^{kn}_{ij}(t)$  = Accepted Bid-Offer Volume as defined within the BSC
- $\sum^k$  = Sum over each separate Bid Offer Acceptance
- $QM_{ij}(t)$  = Metered output of BM Unit i in settlement period j for spot time t, where Active Energy volumes are estimated from operational metering data held by the Transmission Company

An example of the volume calculated for a given set of circumstances, using the above calculation is demonstrated in Fig 3 below. For the avoidance of doubt, the ‘wall’ is the end of the Balancing Mechanism Window.



**Fig 3 - Graph showing example of  $SE_{sj}$  for System to Generator Operational intertripping Scheme or a Commercial Intertripping Scheme (instantaneous trip)**

**Fig 3a – Graph showing example of  $SE_{sj}$  for System to Generator Operational Intertripping Scheme or a Commercial Intertripping Scheme (time delayed) or a Fast De-load Service**





For all other services:

$$SE_{sj} = 0$$

## 2. **Disputes**

A dispute arises where the Lead Party of the relevant BM Unit disagrees with the value of QAS<sub>ij</sub> notified by National Grid. Where such a dispute arises, a representative of National Grid and each BSC Party concerned who has authority to resolve the dispute shall meet (including by agreement by telephone) within 10 Business Days of a request by either party (or within such longer period as may be agreed, acting reasonably) and seek to resolve it. If the parties to the dispute are unable to resolve it within 10 Business Days of the meeting (or within such longer period as they may agree within that initial 10 Business Day period, both parties acting reasonably as to the length of the period), then the parties' obligations under this paragraph to undertake such discussions shall no longer apply in relation to that dispute. Either party may then refer the dispute to arbitration pursuant to the rules of the Electricity Arbitration Association in force from time to time.

The laws of England shall be the proper law of reference to arbitration under this paragraph and in particular (but not so as to derogate from the generality of the foregoing) the provisions of the Arbitration Act 1996 shall apply to any such arbitration wherever it or any part of it shall be conducted.

Any arbitrator or panel of arbitrators appointed under this Paragraph 3 shall determine such issues as are referred to him or them consistently with any determination by the Authority, whether or not relating to the same or different facts.

For the avoidance of doubt, a party may only raise a dispute in respect of QAS<sub>ij</sub> where they are Lead Party of the relevant BM Unit.

### 3. Worked Examples

#### 3.1 Provision of Mode A Frequency Response

Note that this example would apply equally to other commercial frequency response services

A generator delivers response as illustrated in Figure 2.

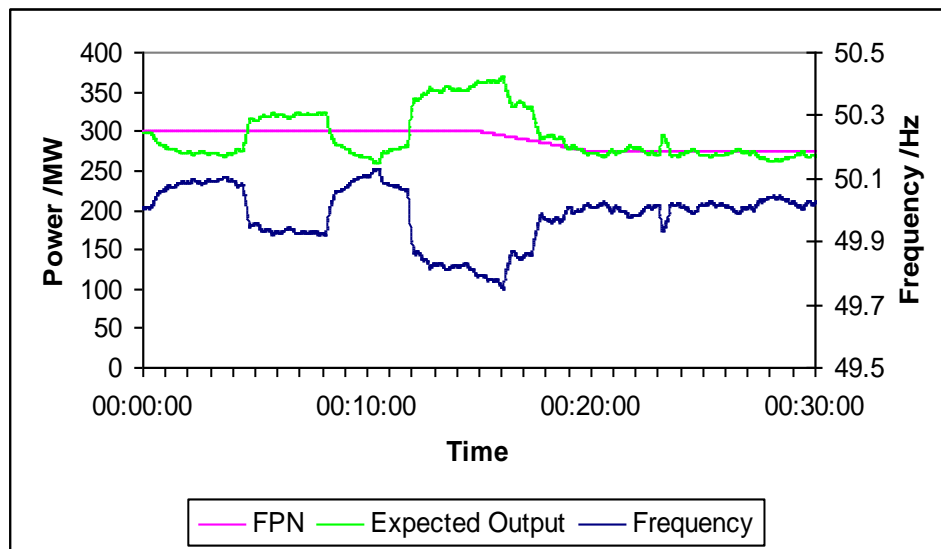


Figure 2 Example of Response Delivery

In accordance with this methodology and the provisions in section 4, sub section 1, paragraph 4.1.3.9A described in CUSC, QAS<sub>ij</sub> is determined to be 2.5 MWh (meaning that in the relevant half hour, as a result of

providing response, an additional 2.5 MWh of energy was required to be produced).

If this party operated a single BM Unit with the following parameters for this settlement period, the impact on central settlement would be as follows:

Contracted Position (QABC <sub>aj</sub> )	137 MWh
Final Physical Notification (FPN <sub>ij</sub> )	145 MWh
Metered Production (QM <sub>ij</sub> )	147.5 MWh
Applicable Balancing Services Volume (QAS <sub>ij</sub> )	2.5 MWh
Transmission Loss Multiplier (TLM <sub>ij</sub> )	0.95
Bid Offer Acceptances	0 MWh

The credited energy volume QCE<sub>aj</sub> is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.5.1(b):

$$\begin{aligned}
 QCE_{iajj} &= QM_{ij} \times TLM_{ij} - \sum_a QCE_{iajj} \\
 &= 147.5 \text{ MWh} \times 0.95 - 0 \text{ MWh} \\
 &= 140.13 \text{ MWh}
 \end{aligned}$$

(where  $\sum_a$  is the sum over Energy Accounts of Subsidiary Parties – in this example it is assumed that all energy is credited to the lead party.)

The account credited energy volume QACE<sub>aj</sub>, would be calculated in accordance with the Balancing and Settlement Code, section T, paragraph 4.6.1:

$$\begin{aligned}
 QACE_{aj} &= \sum_i QCE_{iaj} \\
 &= 140.13 \text{ MWh}
 \end{aligned}$$

The Balancing Services Volume is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.3.2:

$$\begin{aligned} QBS_{ij} &= \sum^n(QAO^{n_{ij}} + QAB^{n_{ij}}) + QAS_{ij} \\ &= 0 + 2.5 \text{ MWh} \end{aligned}$$

The Account Period Balancing Services volume is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.6.2:

$$\begin{aligned} QABS_{aj} &= \sum_i QBS_{ij} \times TLM_{ij} \\ &= 2.5 \text{ MWh} \times 0.95 \\ &= 2.38 \text{ MWh} \end{aligned}$$

The Account Energy Imbalance Volume ( $QAEI_{aj}$ ) is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.6.3:

$$\begin{aligned} QAEI_{aj} &= QACE_{aj} - QABS_{aj} - QABC_{aj} \\ QAEI_{aj} &= 140.13 \text{ MWh} - 2.38 \text{ MWh} - 137 \text{ MWh} \\ &= 0.75 \text{ MWh} \end{aligned}$$

In this example, the account would receive a payment for 0.75 MWh at System Sell Price, in accordance with the Balancing and Settlement code, section T, paragraph 4.7.1.

### **3.2 Provision of Short Term Operating Reserve (STOR)**

Note that this example would apply equally to Fast Reserve or Occasional (non-dynamic) Response.

Consider a STOR provider with the following parameters:

---

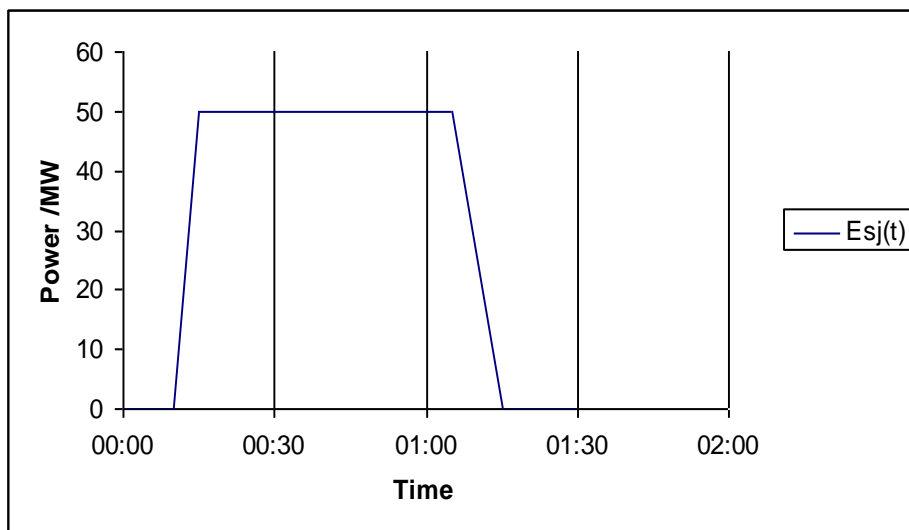
Response Time	15 minutes
Run Up Rate	10 MW/minute
Run Down Rate	- 5 MW/minute
Cease Time	5 minutes

---

At 00:00 National Grid instructs 50 MW of STOR from the provider.

At 01:00 National Grid instructs the provider to cease delivery.

This leads to the delivery profile shown in figure 3:



**Figure 2 Example STOR Delivery**

Settlement Period (Start time)	00:00	00:30	01:00	01:30
SE <sub>sj</sub> /MWh	14.58	25	8.33	0

If this were the only Applicable Balancing Service provision within the BM unit with the service flag set to 1, then QAS<sub>ij</sub> would take the same values.

If this party operated a single BM Unit with the following parameters for the settlement period starting 00:30, then the impact on central settlement would be as follows:

---

Contracted Position (QABC <sub>aj</sub> )	-200 MWh
Final Physical Notification (FPN <sub>ij</sub> )	-190 MWh
Metered Consumption (QM <sub>ij</sub> )	-165 MWh
Applicable Balancing Services Volume (QAS <sub>ij</sub> )	25 MWh
Transmission Loss Multiplier (TLM <sub>ij</sub> )	1.05
Bid Offer Acceptances	0 MWh

---

The credited energy volume QCE<sub>iajj</sub> is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.5.1(b):

$$\begin{aligned}
 QCE_{iajj} &= QM_{ij} \times TLM_{ij} - \sum_a QCE_{iajj} \\
 &= -165 \text{ MWh} \times 1.05 - 0 \text{ MWh} \\
 &= -173.25 \text{ MWh}
 \end{aligned}$$

(where  $\sum_a$  is the sum over Energy Accounts of Subsidiary Parties – in this example it is assumed that all energy is credited to the lead party.)

The account credited energy volume QACE<sub>aj</sub>, would be calculated in accordance with the Balancing and Settlement Code, section T, paragraph 4.6.1:

$$\begin{aligned}
 QACE_{aj} &= \sum_i QCE_{iajj} \\
 &= -173.25 \text{ MWh}
 \end{aligned}$$

The Balancing Services Volume is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.3.2:

$$\begin{aligned} \text{QBS}_{ij} &= \sum^n (\text{QAO}^{n_{ij}} + \text{QAB}^{n_{ij}}) + \text{QAS}_{ij} \\ &= 0 + 25 \text{ MWh} \end{aligned}$$

The Account Period Balancing Services volume is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.6.2:

$$\begin{aligned} \text{QABS}_{aj} &= \sum_i \text{QBS}_{ij} \times \text{TLM}_{ij} \\ &= 25 \text{ MWh} \times 1.05 \\ &= 26.25 \text{ MWh} \end{aligned}$$

The Account Energy Imbalance Volume (QAEI<sub>aj</sub>) is determined in accordance with the Balancing and Settlement Code, section T, paragraph 4.6.3:

$$\begin{aligned} \text{QAEI}_{aj} &= \text{QACE}_{aj} - \text{QABS}_{aj} - \text{QABC}_{aj} \\ \text{QAEI}_{aj} &= -173.25 \text{ MWh} - 26.25 \text{ MWh} - (-200 \text{ MWh}) \\ &= 0.5 \text{ MWh} \end{aligned}$$

In this example, the account would receive a payment for 0.5 MWh at System Sell Price, in accordance with the Balancing and Settlement code, section T, paragraph 4.7.1.

## **PART E: ABSVD METHODOLOGY FOR NON-BM PROVIDERS**

### **1. Principles**

ABSVD for Non-BM Providers is not calculated by National Grid. ABSVD for Non-BM Providers, as per Part B of this document, is based on the pass through of collared delivered volumes by MSID pair to Elexon.

ELEXON will calculate Non-BM Unit ABSVD for each impacted BRP in accordance with the BSC, which will be used to correct BRP imbalance positions.

### **2. Disputes**

#### **2.1. Disputes relating to Non-BM Provider volumes passed to Elexon**

A dispute may arise relating to Non-BM Provider volumes passed to Elexon. Where such a dispute arises, a representative of National Grid and the BSP concerned who has authority to resolve the dispute shall meet (including by agreement by telephone) within 10 Business Days of a request by either party (or within such longer period as may be agreed, acting reasonably) and seek to resolve it. If the parties to the dispute are unable to resolve it within 10 Business Days of the meeting (or within such longer period as they may agree within that initial 10 Business Day period, both parties acting reasonably as to the length of the period), then the parties' obligations under this paragraph to undertake such discussions shall no longer apply in relation to that dispute. Either party may then refer the dispute to arbitration pursuant to the rules of the Electricity Arbitration Association in force from time to time.



The laws of England shall be the proper law of reference to arbitration under this paragraph and in particular (but not so as to derogate from the generality of the foregoing) the provisions of the Arbitration Act 1996 shall apply to any such arbitration wherever it or any part of it shall be conducted.

Any arbitrator or panel of arbitrators appointed under this Paragraph 3 shall determine such issues as are referred to him or them consistently with any determination by the Authority, whether or not relating to the same or different facts.

For the avoidance of doubt, a party may only raise a dispute in respect of non-BM ABSVD where they are the contracted BSP for the service.

In the event that an error is identified in the ABSVD, the data will be re-submitted and corrected, as soon as reasonably practicable, but not later than the Final Reconciliation Run, once the corrected data is available.

## **2.2. Disputes relating to ABSVD volumes applied to Supplier Energy Accounts**

These will be dealt with via Elexon through BSC Trading Disputes processes ( BSCP11). Where the dispute requires investigation into the source data provided to Elexon, National Grid will seek to provide supporting information to resolve this matter.

In the event that an error is identified in the ABSVD, the data will be re-submitted and corrected, as soon as reasonably practicable, but usually not later than the Final Reconciliation Run, once the corrected data is available.

If a Trading Dispute relating to ABSVD is upheld, National Grid may be required to resubmit ABSVD after Reconciliation Final (up to DF at D+28

months, or potentially up to D+40 months for an Extra Settlement Determination).

### **3. Calculation of ABSVD**

The calculations for the Determination of Non-BM Unit ABSVD are laid out in the Balancing and Settlement Code Annex S-2: Supplier Volume Allocation Rules, Section 7 “Half Hourly Metering System Consumption”, paragraph 7.3.