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| **Question** | **Answer** |
| Will these slides be available after this session? | Yes |
| Can the same asset participate in BM and LCM?  i.e. if skip rates remain high in BM can an asset seek more certainty by choosing to dispatch in the LCM even though income would be lower? | No. BM-registered assets are excluded. |
| What's an ANM zone again? | Active Network Managed zone |
| Would it be possible to provide an overview of time periods that the B6 constraint is active (% of the time) and the size of the constraint - and then put this alongside the current / potential size of the LCM contribution? | We have published past data to illustrate when BM action is taken. It is not possible to predict future activity. |
| A rough breakdown would be helpful on generation turn-down vs demand turn-up under the LCM, and what the future trend could be for this. | Most of the Contracted is from Demand turn up  Results are available in the LCM Results spreadsheet data published on piclo data hub |

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| What impact would P462 ( <https://www.elexon.co.uk/mod-proposal/p462/>)  have on these services if implemented? | If P462 were implemented and changes the merit order stack such that bid prices accepted to manage constraints becomes higher (lower negative magnitude) then markets which have pricing against the balancing mechanism alternative prices would also need to clear higher to be competitive. However, this would now be comparing the incremental consumer cost of these transactions against each other rather than the bid price itself against an alternative action. P462 is currently a proposal being taken through BSC workgroup rather than a final agreed implementation, the consideration of a change to the merit order stack itself is dependent upon final methodologies agreed and subject to approval of the modification. |
| How does the ESO LCM interact with the DSO constraint markets in Scotland? Is it possible for assets to revenue stack across both? | LCM permits stacking across services subject to other service requirements as long as it is not in the same Half Hour settlement period. |
| Why have you represented ANM exclusion as area exclusion?  ANM is a feature of connection conditions of specific generation sites.  Consumers have no relationship with ANM.  A consumer can still deliver useful demand increase regardless of whether the local DNO activates ANM in respect of a nearby generator. | The NGESO has offered DNOs to receive per-competition visibility (within day ahead and operational timescales). The DNO can thereby access availability, intended impact of LCM and detailed dispatch information. |
| Can you make the links live in this chat for the C16 work? ABSVD? | Please see the sign-up link for the C16 distribution list which will provide notification and updates of when the formal consultation is published and for future updates. [Sign up Link.](https://subscribers.nationalgrid.co.uk/h/d/6E3AC0C66AB32C1D) Once published, all documentation will be published on the [C16 website](https://www.nationalgrideso.com/industry-information/codes/balancing-settlement-code-bsc/c16-statements-and-consultations#Past-C16-consultations), under the folder consultation documents. |
| What is the origin of the 100kW turn-up limit?  It is astonishingly low given the transmission impact.  If it is driven by distribution effects (which are location-specific), why is it general? | 100kW limit for demand turn up per GSP is a major problem for projects at scale.  This leaves a significant gap between LCM and BM.  That should be addressed as a matter of priority. |
| How is it working that you access DN assets that might already be participating in DSO turn-up/down services? Is there a clash here and how will these LCMs work with ENA's Open Network Programme where DNOs are driving ahead to offer their own DSR services? | DNO feedback to us has been positive about co-existence of LCM and its stacking approach as defined in LCM Service Terms - LCM does not need wide ranging exclusivity. Assets can therefore often work in both services (subject to service terms), as long as they do not compromise availability or response in a given 30-minute settlement period. |
| If LCM is already generally higher than BM prices (and therefore not dispatched) what is the expected effect of P462? | If P462 were implemented and changes the BM merit order stack such that bid prices accepted to manage constraints becomes higher (lower negative magnitude and lower cost to the consumer) then markets which have pricing against the balancing mechanism alternative prices would also need to clear higher to be competitive with the BM stack.  With P462, intended to improve transparency of consumer cost comparisons, this would now be comparing the incremental consumer cost of these transactions against each other rather than the bid price itself against an alternative action. P462 is currently a proposal being taken through BSC workgroup rather than a final agreed implementation, the consideration of a change to the merit order stack itself is dependent upon final methodologies agreed and subject to approval of the modification. |
| Could you give a bit more info as to why this demand turn-up embedded in distribution is particularly challenging? | We are building assets connected at Distribution (33kV or 11kV) that will turn up flexibly via the BM.  If that works in the BM then why not in the LCM? Fault levels are identified in the grid connection agreement. |
| Would you be able to provide ABSVD brief intro? | There is a description available in the C16 documents: Overview in the ABSVD statement - link to current one is here: [ABSVD Methodology (nationalgrideso.com)](https://www.nationalgrideso.com/document/292696/download) also may be worth references 6.4 of BSC: [BSC Section Q: Balancing Mechanism Activities - Elexon Digital BSC](https://bscdocs.elexon.co.uk/bsc/bsc-section-q-balancing-mechanism-activities) |
| Is there any possibility of allowing BM assets to participate in the LCM in future? If not, could ESO clarify why? | The purpose of the Local Constraint Market is to increase the range of available action to help the ESO resolve constraints. Which is why we focused on non-BM distributed generation turn-down or demand turn-up. While we would be reluctant to exclude the possibility in the future, at the moment it is counter-intuitive to extend the LCM to cover BMUs. For a given volume and price, the BM would prove both more accurate and more operationally efficient as a mechanism for constraint managing actions. Please do provide BM feedback via the .box if there is a case where the volume cannot be offered via the BM, or why this is not possible for your asset. |
| Having established that there is a two-tier payment between suppliers and aggregators/direct customers, will you be consulting on whether the alternative solution proposed in the c16 is the best way to resolve this or whether to resolve it at all?  Essentially, is there a chance the LCM will continue without a fix? | We are consulting on whether existing arrangements are suitable and feedback on an alternative proposal also.  As far as is possible within the scope of a practical, short-term fix for LCM we will try to incorporate any improvements that Consultation respondents offer, to try to enable a short-Sterm solution which addresses material objections. |
| How do the window 1 and 2 operate with each other? In cases where your asset has been contracted for window 1 and you have no change in the required data submitted going into window 2 are those same details automatically used for window 2 or new data has to be put in to before the end of of window 2 submission deadline. In addition, will it always be the case that a window 2 follows a window 1 instruction? If so are contracts held during window 1 to accommodate for providers only able to provide for window 2? | There is no facility where bids not utilised in the Day Ahead instruction window are resubmitted automatically in the intraday window. Albeit, bid submission can be automated using the [bidding APIs in Piclo Flex](https://urldefense.com/v3/__https:/docs.picloflex.com/__;!!B3hxM_NYsQ!19UzfIK1-D94WBVz-ogC6KxC_lTppdo5VHp1an4zhisLjZCbKWKw8Cd5clzrGMqadffntmchdFBL57ApZ_x6fXH8-lmbwlAKEOoKQF3reg$). Intraday window does not necessarily follow the Day Ahead, the instruction windows are unrelated and may be used by ESO in conjunction or separately. You cannot bid in capacity to the Intra Day which is already committed in the Day Ahead. |
| On ANM this is a co-ordination challenge for ESO and DSOs. All we need to do to work round this is communicate the intended impact from the ESO | Can we again offer DSOs the ability access data for coordination from the Piclo Platform - to gain visibility and know what load(s) is impacting, when and where. Please make a note to explore again with Gerard/SPEN/SSEN on our bi-weekly call whether they would be willing to utilise existing Piclo functions and interfaces to gain full visibility and perhaps open up any regions/ANMs that might occasionally be restricted?]  On ANM, whilst not all connections in a given 'ANM area' are ANM connections, any action taken in the LCM could be overridden by ANM control systems to increase generation within the known parameters. If this were permitted it would present a material risk there will be no net benefit for the system and potentially a double cost to the consumer. |
| Can you put up a link to the Consultation Process commencing 17 January 2024 --- Please - many thanks in advance info@megamicro.org | If this question is referring to the C16 consultation documentation, this will be published on the [C16 webage](https://www.nationalgrideso.com/industry-information/codes/balancing-settlement-code-bsc/c16-statements-and-consultations#Past-C16-consultations) which will detail the process and next steps. To be notified of the publication you can sign up to the distribution list [here.](https://subscribers.nationalgrid.co.uk/h/d/6E3AC0C66AB32C1D) These links have been put in the webinar chat also. Today's slides will also be published which show the timeline of the process. |
| ANM can only "cancel out" an LCM action to the extent that (i) the ANM is not already active and (ii) the amount of generation which was operating and which has ANM in that specific location. These parameters are known.    There are several decisions being taken here which are obviously over-cautious, to the point that the market is likely to be seriously affected. | Referenced in another answer. |
| As LCM net volumes increase, will this feed into the BM as a system tagged offer? | The LCM is learning by doing and may prove a more accessible option for new providers, so in theory the responders could consider moving into the BM if workable. LCM is a stand-alone, interim and simplified solution and volumes will be reported transparently - there are no plans at present to migrate the service wholesale into BM. |
| Volumes seem small in the end as high offer prices means its cheaper to switch of wind. If correct there seems like there's no competition for some reason - one would think cheap DSR (getting money to turn up) is cheaper than paying wind off at £50-£80/MWh? | We continue to invite more volume and working with our DNO partners we aim to encourage all possible cost effective bids from DSR. |
| Will you publish LCM results, including awarded MW and utilization prices, as well as dispatched capacity? | Please see <https://data.piclo.energy/> |
| For the LCM bids to be competitive over the BM, shall the offered utilization price be lower than the Sell Price on the BM? Or what other price signal shall be considered? | If the constraints covered by the LCM are active, the ENCC will compare LCM bid prices with BM bid prices within the constraint. LCM volumes may then be instructed, if LCM prices are lower than BM prices. A small discount is sought vs. the BM to account for taking Day Ahead action, to cover the resulting price and volume forecasting errors. |
| How does ESO see the evolution from LCM to Regional Development products working - timeframes, etc? Any idea of key differences (other than longevity)? | The intended scope and design of LCM is as a stand-alone interim solution. Whilst LCM could help wider participation in the short term and these providers could move into other solutions, there are no plans within LCM to migrate the service into RDPs. |
| What is the mix of technologies participating in DTU | See <https://data.piclo.energy/> |
| In order to see the results on Piclo, is it necessary to be registered? | No |
| Is this the ABSVD issue then? If so, should corrected Aggregator volumes, and benefits to consumers increase? | Providers tell us improving compensation for Aggregators could help them to respond with higher volumes at lower prices, which we hope may increase the opportunity for LCM to save constraint costs and increase benefits for consumers. |