

Frequency Response Release 2 Webinar 21 September 2023 – Q&A

Topic	Question number	Question	Answer
EAC	3	What is the precise date for Enduring Auction Capability (EAC) go live? At the moment it's just "October"?	<i>The EAC platform officially launched on Thursday 19th October, this is when the gate for bid submissions opened ahead of the first auction taking place on Thursday 2nd November at 14:00.</i>
EAC	10	Is any of the functionality for EAC go live at risk of delay considering the guidance for compliance is not coming out until 22 September?	<i>No, we do not consider this will risk go-live delay.</i>
General	5	When you make changes to the service terms can you confirm you'll email that fact out to everyone? Rather than we have to just happen upon them via the website	<i>Where we make changes to our service terms we will update our stakeholders on the Future of Balancing Services mailing list by email as well as updating our website.</i>
General	6	As a general comment - it is really important for NGESO to date all documents - many do not have even month, never mind day dates.	<i>We recognise the importance of clearly dating our documents and intend to ensure that is clear.</i>

General	7	Can you please share a link to the slides?	<i>Slides are published on our New Dynamic Services document library, under Market Engagement 2023</i>
General	8	Also, it's much easier to provide a link to a "landing page" for a document, which in turn has a link to the document itself. If you share a direct link to the document, then you have to update it to the exact same location, and I'm sure how easy it is with a sequential identifier such as 276606	<i>Thanks for your feedback we will take that onboard.</i>
General	17	will the Q&A be posted on the website?	<i>Yes Q&amp;A is published on our New Dynamic Services document library, under Market Engagement 2023</i>
General	18	Perhaps something for a future transparency forum but it would be good to expand what the actual challenges of managing non-Balancing Mechanism units (non-BMUs) are	<i>We intend to engage with industry colleagues on any changes we may make to non-BMU requirements to manage operability challenges. As part of that engagement, we will explain the relevant operability challenges and will welcome input on options.</i>
Physical Notifications	1	If both non-BMUs are required to provide Physical Notifications (PNs) outside of contracted service windows what will then be the difference in requirements between BM and non-BM?	<i>At the webinar, we set out that we are considering requiring non-BMUs to provide PNs outside of contracted service periods (as BMUs already do) to help manage operability challenges. A BMU would need to have a CUSC Contract with the ESO, sign up to the BSC, Meet the requirements of CC/ECC6.5 of the Grid Code (ie telephony, operational metering, EDT/EDL or API) and meet the requirements of the Balancing Codes - in particular BC1 and BC2 whereas a NMBU only needs to meet the requirements of their commercial contract.</i>
Physical Notifications	9	Are you proposing non-BMUs would need to also submit PNs when not providing service?	<i>Yes, we are considering requiring response providers with non-BMUs to provide PNs outside of contracted service periods to help manage operability challenges and reduce balancing costs.</i>

		Will Connection and Use of System Code (CUSC) and Grid Code (GC) changes be needed to allow non-BMUs to submit PNs?	<i>We do not believe any changes would be required to CUSC and GC, as NBMUs would not need to accede to those codes as part of this requirement, but to the Frequency Response service terms.</i>
Physical Notifications	12	Is the intention of submitting PNs for Non-BMUs to essentially make all generation and demand units BMUs? Or will there be a minimum size requirement to these changes?	<i>The primary intention is to provide additional visibility to the control room of non-BM response units such that we can secure the system more efficiently. These units, by virtue of their capability to provide response services, are able to charge and discharge rapidly and it is difficult to forecast their behaviour. This leads to uncertainty around impacts these units may have on system frequency, which in turn can lead to higher costs of ensuring the system is secure.</i>  <i>We intend to engage further with industry colleagues on this matter and potential solutions.</i>
Physical Notifications	14	Would the requirement to provide PNs outside of contracted periods apply for a set period around signed contracts (just the same EFA day) or would the act of registering for a frequency product trigger an unending obligation to provide PNs?	<i>At this stage we are still scoping possible options and will engage with stakeholders this autumn as part of our decision-making process.</i>
Physical Notifications	15	Business cases for flex gen have been built off the ability to Net Imbalance Volume (NIV) chase. How would requiring Physical Notifications from non-BMUs outside of contracted service windows affect Balancing Services Use of System (BSUoS) costs given NIV chasing helps to balance the system	<i>We do not consider that requiring Physical Notifications from non-BMUs outside of contracted service windows will prevent participants taking advantage of price variations over time, however, we intend to engage further with industry colleagues on this matter to understand impacts.</i>
Physical Notifications	16	Requiring PNs will be a barrier to participation	<i>As part of any decision on this, we will consult further with stakeholders and consider the impacts of any change.</i>
Q&S Reserve	4	You referred to timelines on Q&S reserve, but I don't believe your revised plans on those have been shared yet have they?	<i>We shared the delivery timeline with industry during our update <a href="#">webinar</a> in December 2023.</i>

Ramp Rates	2	<p>In regards to the current analysis of ramp rate rules, I didn't understand the time line. Could you please clarify it? Do we expect analysis to be done by Nov 23 and changes be implemented by Jan24.</p>	<p><i>ESO are currently reviewing the baseline ramp rate restriction of 5% of contracted quantity per minute, including assessing the impact on system security. We aim to engage with providers across October and November once we have some conclusions from our internal analysis. The timeline for changes depends on the outcome of the analysis. We intend to formally consult on the ramp rate restriction as part of our Release 3 consultation in June 2024. However, the proposed new service term wording in our Response Release 2 consultation provides that ESO may from time to time raise the 5%/minute restriction to a higher integer from time to time, offering us flexibility to make changes more quickly.</i></p>
Reserve	13	<p>Are you thinking of extending the 'only BMUs offering frequency services' rule to the reserve services?</p>	<p><i>We do not have a rule that only BMUs may provide frequency services. For example, non-BMUs are able to, and do, participate in our new dynamic frequency response services.</i></p> <p><i>We are currently developing the rules and requirements of the quick and slow reserve services, and will consult on these in due course.</i></p>