

Public

GC0166: Introducing new Balancing Programme Parameters for Limited Duration Assets

Workgroup 11

Online Meeting via Teams

Agenda

#	Topics to be discussed	Lead
1.	Introductions	Chair
2.	Objectives and Timeline	Chair
3.	Workgroup Consultation Feedback	Proposer
4.	Any Other Business	Chair
5.	Next Steps	Chair

Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared - Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Email communications to/cc'ing the .box email

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

Timeline for GC0166

Objectives for
Workgroup Meeting 11:
Review Consultation
Feedback

Workgroups	
GC0166 Workgroup 1	01/02/2024
GC0166 Workgroup 2	07/03/2024
GC0166 Workgroup 3	08/04/2024
GC0166 Workgroup 4	15/05/2024
GC0166 Workgroup 5	10/06/2024
GC0166 Workgroup 6	21/06/2024
GC0166 Workgroup 7	18/07/2024
GC0166 Workgroup 8	20/08/2024
GC0166 Workgroup 9	22/10/2024
GC0166 Workgroup 10	12/11/2024
GC0166 Workgroup Consultation	18/11/2024 - 06/12/2024
GC0166 Workgroup 11	20/01/2025
GC0166 Workgroup 12	04/02/2025
GC0166 Workgroup 13	04/03/2025
GC0166 Workgroup 14	01/04/2025
GC0166 Workgroup Report to Panel	23/04/2025
Post Workgroups	
GC0166 Code Administrator Consultation	06/05/2025 - 06/06/2025
GC0166 Draft Final Modification Report to Panel	18/06/2025
GC0166 Final Modification to Ofgem	08/07/2025
GC0166 Implementation Date	10 Business Days post Authority Decision

GC0166

Workgroup Consultation Feedback

GC0166 Problem Statement

Focus of discussions:

Introduction of new parameters for limited duration assets (including Battery Energy Storage Systems (BESS)) to optimise dispatch and planning.

Address the challenges around how such assets are dispatched efficiently and how to best plan for use of such units

Potential Alternative proposal (RWE)

- RWE considering a Workgroup Consultation Alternative Request based on their concerns with:
 - The modification being able to be applied for current operational portfolios
 - Ensure future proofed for co-located assets which share Transmission Entry/Import Capacity
 - Role and flexibility of market participants not being 'overly restrictive'
 - Definitions for MDO/MDB not to be 'overly restrictive' on being changed within gate closure.

GC0166

Workgroup Consultation Feedback Themes

Themes

- **Implementation timescales**

- GC0166 to be implemented within 10 days of Ofgem decision
- Activation of the Dynamic Parameters to be scheduled to align with requirements of affected parties
- Ofgem being kept informed of progress / invited to input to WG stage
- Co-ordinated implementation programme to ensure all systems will be ready
- NESO to share DFMR with Elexon in April
- Assuming using existing interfaces (csv file in current format)
- Share View of DFMR with Elexon prior to starting the delivery process

- **Process concerns**

- Aware of potential for WACMs from Workgroup members

Themes

- **Technical versus Commercial parameters? Technology neutrality**
 - BMUs declare Technical component, Commercial elements are outcome of how their assets are deployed. No obligation to make an offer, but these are the terms they adhere to
 - Parameters primarily Technical, but it's accepted that they have commercial implications
 - Question about defining 'short duration' e.g. <6hours?
- **Legal text Clarifications**
 - To discuss at Workgroup in light of other Themes outcomes
 - Individual issues to be raised with legal counsel as appropriate
 - Invite solution suggestions

Proposer's Response to Themes

THEMES	DETAILS	NESO COMMENT
Implementation	Can NESO clarify on the pace of implementation	Intention is that GC0166 will be implemented within 10 days of the Ofgem decision in the Grid Code, but activation of the Dynamic Parameters will need to be scheduled in order to align with the requirements of all affected parties to prepare.
Implementation	Risk that Proposal isn't approved by Ofgem Given the impact on providers then the implementation should be 12 months after an Ofgem decision.	Ofgem are being kept informed of progress so that they can express any concerns during the WG stages, and expectations can be set by all parties involved.
Implementation	Timely development of IT software solutions	NESO is aware of the requirement for co-ordination of an implementation programme sufficient to ensure all systems used by involved parties can and will be ready to go live at an agreed time.
Implementation	Will Elexon be ready?	NESO have contacted Elexon who are aware of GC0166 and implications for them
Implementation	Request for clear timeline for introduction	As above.

Proposer's Response to Themes

THEMES	DETAILS	NESO COMMENT
Process concerns	Achieving accuracy <20% deviation from the actual FSOE in the 4-33h horizon is unrealistic particularly in the D-1 horizon when so much of an ESMs dispatch is driven by responding to real-time market signals. Need to strike a balance between model complexity.	We are not asking for all market decisions - we are asking how accurate the asset model would be. At 11:00 we get Indicative Physical Notifications (IPNs) and we can use these in the model to predict FSOE. After 11:00 parties will still trade and when we get new PNs we will re-run the model.
Process concerns	Have relevant NESO personnel signed off the solution to ensure it works?	The solution has been widely shared within NESO. However, we consider the scrutiny given by industry to be the ultimate approval
Process concerns	Issue associated with multiple BMUs being supplied from one storage source.	We are waiting for new guidance to be formally issued but the view is that there should be a BMU per asset type at a shares connection point making this GC0166 solution easy to apply
Process concerns	Does it work for co-located assets?	As above.
Process concerns	Resubmission of MDO/MDB is permitted to account for PNs which have been submitted for the immediately gate-open period.	Yes
Process concerns	NESOs use of data.	I think we have given this already
Process concerns	Ancillary Serves impacts on SoC	I think we've explained this
Process concerns	How will FSOE be used by NESO?	It's in planning timescales and we have given an account already
Process concerns	Redeclaration rules of MDO and MDB indicate this can happen if the PN for the SP after the BM window changes. Changes beyond this single SP could also trigger a need to redeclare	But beyond this period that the BMU has the time to trade in a way to protect the new PNs

Proposer's Response to Themes

THEMES	DETAILS	NESO COMMENT
Tech neutrality	Will capture many different types of plant not relevant to the intention of this mod placing a burden on these providers disproportionate to the benefit and resulting industry cost and ultimately higher consumer costs.	Primarily batteries and pumped storage do we define short duration e.g. <6hours?
Technical v Commercial parameters?	Technical versus Commercial considerations	BMUs declare the Technical component, the Commercial elements are an outcome of how they deploy their assets. There is no obligation to make an offer, but these are the terms they adhere to.
Technical v Commercial parameters?	MDO and MDB are almost, but not quite technical parameters.	NESO have developed the Parameters as primarily Technical, however through the Workgroups it has been accepted that they have commercial implications and adjustments made accordingly to the solution. As ever, any suggestions for better solutions will be welcomed.

Proposer's Response to Themes

THEMES	DETAILS	NESO COMMENT
Legal text clarification	FSoE Needs to be specified exactly what FSoE means – e.g. volume which can be imported / exported / in storage (and losses apply in and out). Exported seems the most logical.	For discussion at Workgroup
Legal text clarification	FSoE definition "Future State of Energy (FSoE): For a given point in time, a forecast of the total quantity of energy (measured in MWh) which is stored in an Electricity Storage Module."	For discussion at Workgroup
Legal text clarification	Unlimited or Limited Storage There is no definition of limited/unlimited (storage) at any point in the Modification,	For discussion at Workgroup
Legal text clarification	MDO/MDB Clarify that the services referenced within the definitions of MDO and MDB are only during the BM Window.	For discussion at Workgroup
Legal text clarification	MDO/MDB, MEL/MIL definitions in light of above discussions on re-submission "Definitions in BC1: "• Maximum Delivery Offer (MDO) , being the maximum volume of Offer Acceptance by a BM Unit which can be instructed by The Company through BidOffer Acceptances (BOA) to the BM Unit within a Balancing Mechanism Window Period, excluding the volume of energy required to satisfy System Ancillary Services and/or Commercial Ancillary Services." "• Maximum Delivery Bid (MDB) , being the maximum volume of Bid Acceptance by a BM Unit which can be instructed by The Company through Bid-Offer Acceptances (BOA) to the BM Unit within a Balancing Mechanism Window Period, excluding the volume of energy required to satisfy System Ancillary Services and/or Commercial Ancillary Services."	For discussion in Workgroup MEL definition contained in BC1.A.1.3.1 MIL definition contained in BC1.A.1.3.2
Legal text clarification	MDO/MDB & MEL/MIL MEL/MIL is a limit on power, and MDO/MDB is a limit on energy.	For discussion at Workgroup
Legal text clarification	Clarity in the text about where a provider can provide full delivery for the BM Window then the actions/data that they are required to submit needs more detail, i.e. a null entry, 90 mins of offers/bids or the default value of 9999. It will have an impact on the traded market as the "reserved volume" will be held back from the market even though it is unlikely to be used.	For discussion at Workgroup

Next Steps and Close