

Optional Downward Flexibility Management (ODFM) Guidance Document

Introduction

This guidance document should be read in conjunction with the following documentation which is available on the NGESO website:

- Form A (Provider Registration)
- Form B (Optional Downward Flexibility Management)
- Form C (Optional Downward Flexibility Management)
- Optional Downward Flexibility Management Service Terms
- Optional Downward Flexibility Management General Terms and Conditions
- Optional Downward Flexibility Management Glossary of Terms

Version	Effective Date	Change	Page
1.0	04 May 2020	Version 1	
2.0	06 May 2020	Wording added on Embedded Generation Connection Arrangements	6
3.0	27 May 2020	Submission deadlines for new assets/units and pricing/availability declarations.	4
4.0	06 July 2020 <i>(By reference to Provider Data Template Submission on 15 July 2020)</i>	Clarity regarding Grid Trade Master Agreement (GTMA) interaction Clarity on additional data fields in Provider/Settlement Data Template.	2 & 4
5.0	12 April 2021	Updated for 2021 usage of ODFM: roll-over of Forms A&B from 2020 providers and added ability for all providers to submit day ahead price declarations.	

Version 5

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Overview of Optional Downward Flexibility Management Requirements

This document provides an overview of the registration process and service parameters for participating in the Optional Downward Flexibility Management (ODFM) service.

ODFM is being reinstated for summer 2021 as an emergency service to manage lower demand periods caused by the continued COVID-19 pandemic.

Whilst our central case for this summer suggests there is no requirement for ODFM, our forecasts demonstrate that there are credible worst-case scenarios where we might experience lower demand periods for longer durations that could require additional downwards flexibility. We therefore feel it is prudent to reinstate the ODFM service for 2021, for instruction only in the event that such challenging conditions occur, and to mitigate the need for emergency instructions.

At no point will ODFM be used in place of our existing reserve and response toolkit and it will be in place only to manage significant low demand events where all other actions have been taken. Our expectation is that we will not need to instruct this service but that it is prudent to have it available.

ODFM is not considered to be an enduring solution to downward flexibility management. The enduring solution will be delivered through our Reserve Reform programme, while wider access to the Balancing Mechanism also provides a continuous route to an enduring downward flexibility service.

Service Parameters

To participate in this service, participants and/or their assets must:

- Be capable of sustaining service delivery for a minimum of 3 consecutive hours.
- Be capable of receiving, acknowledging and acting upon email dispatch.
- Be capable of providing the service on weekends and bank/public holidays.
- Be sized at 1MW or more (which may be through aggregation of separate assets behind the same Grid Supply Point (GSP)).
- Deliver the service volume as either generating plant export curtailment, or site demand increase, and assets aggregated together must be of the same delivery type.
- If Generation, be capable of reducing to 0MW and maintaining for the specified time period.
- If Demand, be capable of increasing and sustaining demand for the specified time period.
- Be capable of following pre-agreed min/max ramp up and ramp down rates.
- Be able to provide all the necessary data sets and dispatch processes outlined in this and other supporting documentation.
- Be able to comply with all other service requirements and obligations set out in the accompanying documentation.
- NOT be separately registered as BM Units or otherwise active in the Balancing Mechanism.
- NOT be participating in or contracted to any other balancing/flexibility or related services during periods when the service is offered.

- NOT have a condition in their DNO connection agreement whereby they are signed up to an Active Network management (ANM) Scheme / Flexibility Connection.

Please also note:-

- (1) Holding a Grid Trade Master Agreement (GTMA) with NGENSO for energy trading purposes does not preclude a participant from becoming a Registered Service Provider and registering eligible assets for ODFM service delivery.
- (2) NGENSO does not envisage that ODFM will be treated as a “Relevant Balancing Service” for the purpose of the Capacity Market Rules, and accordingly delivery of ODFM will not trigger any adjustment pursuant to those rules where an eligible asset is part of a CMU (as defined in the Electricity Capacity Market Regulations 2014 as amended).

Registration

For a participant to register as a potential provider of ODFM, it must become a Registered Service Provider and adhere to the ODFM contract documentation. It may then register with NGENSO eligible assets under its operation or control, for allocation to contracted units. These contracted units may then be declared as available to NGENSO for ODFM service delivery.

This section outlines the contractual process and associated timings. Whilst it is important that participants allow sufficient time to register and prepare for their first optional service availability, given the limited time now available ahead of the first delivery week NGENSO will endeavor to allow participants some flexibility on timescales in relation to this initial period of delivery where practicable.

Submitting Form A & B

To become a Registered Service Provider for ODFM, a participant must submit fully complete and correct Forms A & B to commercial.operation@nationalgrideso.com.

Forms A and B templates are published alongside this document and it is recommended discussing these with your account manager or contact the above email account prior to any formal submission.

For parties who wish to register on behalf of multiple SPVs (special purpose vehicles), the “related entities” sections of Forms A & B can be used.

Parties who submitted Forms A & B in 2020 and were confirmed by NGENSO as Registered Service Providers do not need to resubmit these forms unless relevant details have changed.

Receiving Form C

Form C is completed by NGENSO, and provides confirmation that the participant is now considered a Registered Service Provider for ODFM. This is not indicative of any commitment on the part of NGENSO to procure or pay for ODFM.

Once in receipt of Form C, a participant is entitled to register eligible assets under its operation or control, for allocation to contracted units in accordance with the process described below, following which contracted units may then be declared as available for ODFM service delivery.

As specified above, Registered Service Providers in receipt of Form C relating to procurement of ODFM in 2020 may register and allocate eligible assets (via the Provider Data Template as outlined below) unless their relevant details have changed, in which case Form A and/or B must be resubmitted.

Registering Eligible Assets & Contracted Units

Registered Service Providers must register their eligible assets, and allocate to contracted units, via the “Provider Data Template” that is published alongside this document. This template contains all the necessary information for NGENSO to validate the eligibility and allocation of assets for participation in the ODFM service.

The Provider Data Template must be submitted, fully complete and correct, to commercial.operation@nationalgrideso.com. Initial registrations must be completed in line with the timings outlined in this document.

Please note that Registered Service Providers from 2020 are required to resubmit their Provider Data Template.

Following email confirmation from NGENSO that the Provider Data Template has been validated, the contents will be treated as valid and applicable for the purpose of availability declarations by the participant in line with the timings in this document. No availability declarations shall be submitted until this email confirmation has been received from NGENSO.

This registration process will record the delivery method for each eligible asset and contracted unit, which will be identified on the Provider Data Template from one of the following options:

- Output Curtailment (Intermittent Renewable only)
- Output Curtailment
- Demand Turn Up

The registration process and Provider Data Template will also record the registered service volume for each eligible asset, which will be fixed for all availability declarations, including min/max ramping rates. Accordingly, when considering registered service volumes, participants will need to consider the realistic operational characteristics of each asset, and ensure sufficient headroom in their registered service volumes to cater for restrictions and constraints such as flood management and demand fluctuations. The ODFM service design does not permit redeclarations of registered service volumes in operational timescales.

The Provider Data Template includes fields (and accompanying explanation and/or instruction) to capture data required for operation of the Service Terms and/or service assessment and dispatch, specifically:-

- “Delivery Profile”: to indicate the nature of an eligible asset’s ODFM delivery volumes.
- “Control System”: to indicate what type of control system a participant has in place.
- “Instruction Processing Time”; to enable participants to indicate the typical time it would take to process an instruction from NGENSO to initiate commencement of an eligible asset’s ramping operation. Please note: where included, participants should NOT factor instruction processing time into min and max technical ramping (MW/min) values.
- “Fallback Instruction Processing Time”: to enable participants to indicate a fallback instruction processing time to apply (by way of an extended instruction processing time) where initial initiation of ramping operations is prevented by failure of plant and equipment beyond reasonable control. Please note; an incident of plant and equipment failure and application of the fallback instruction processing time can only be considered and verified by NGENSO if a fallback instruction processing time is specified in the Provider Data Template and the incident is notified to NGENSO through the settlement data submission (using the Settlement Data Template) in line with the timeframes outlined in the Service Terms.
- “Cumulative Processing Time”: A Yes/No selection, where a contracted unit comprises two or more eligible assets, to indicate if the instruction processing times are actioned in sequence. NGENSO recognises that many control systems require instructions to be processed consecutively and not concurrently. A Yes selection must be accompanied by an indication of the order in which ramping of eligible assets will be initiated to meet an instruction.

Allocating/Removing Eligible Assets to Contracted Units

Under the registration process, eligible assets must be allocated to a contracted unit, which is how registered service volumes are made available to NGENSO and dispatched. Again, this process is completed through the Provider Data Template. Please note, a single eligible asset must still be allocated to a contracted unit.

Every contracted unit registered onto NGENSO’s system must have at least one eligible asset allocated to it, in order to be capable of being declared available for OFDM service delivery. Furthermore, where multiple eligible assets are allocated to a contracted unit, they must each be registered with the same delivery method (i.e. output curtailment (intermittent renewable only), output curtailment or demand turn up), and each such eligible asset must be located within the same Grid Supply Point.

If participants wish to change the registration and/or allocation of eligible assets to contracted units, this must be done by submitting an updated Provider Data Template via a weekly availability declaration as described below.

Availability Declarations

Once registered with one or more allocated eligible assets, a contracted unit may be declared available for ODFM service delivery via submission of a weekly availability declaration using the Provider Data Template. Each weekly

availability declaration will be effective for trading days commencing 23.00 hours on the next following Friday, except where it is submitted later than 15.00 hours on the preceding Wednesday in which case it will not be effective until the trading day commencing 23.00 hours on the subsequent Friday in the following week.

As part of the registration process, participants will be expected to complete an initial “default” availability declaration which will apply unless and until a weekly availability declaration (in the Provider Data Template) is submitted under the Service Terms.

Weekly availability declarations will specify for a trading day whether or not for each settlement period the contracted unit’s registered service volume is available, and a single offered service fee. Any of those parameters may be revised from to time by submission of a revised weekly availability declaration, which must be submitted and become effective as described above.

However, a Registered Service Provider will be required to declare unavailability promptly where caused by technical inability of the contracted unit to provide ODFM, by way of an availability withdrawal declaration, again using the Provider Data Template.

A Registered Service Provider may also now revise its offered service fee by submission of a day ahead price redeclaration, again using the Provider Data Template. Any such revision will be effective from the next following trading day (TD), except where it is submitted later than 09.00 hours on the immediately preceding trading day (TD-1) in which case it will not be effectively until the trading day which follows (TD+1).

The latest submitted weekly availability declaration or availability withdrawal declaration or day ahead price redeclaration received from Registered Service Providers will be considered the live version and will supersede all previous submissions (except as provided in the Service Terms).

When submitting a Provider Data Template, Registered Service Providers are required to specify whether they are submitting: a weekly availability declaration (including revised weekly availability declaration), an availability withdrawal declaration or a day ahead price redeclaration. This should be done by selecting the appropriate drop down box provided on the instructions tab of the Provider Data Template.

Please note it is only possible to submit one of a weekly availability declaration (or revised weekly availability declaration), day ahead price declaration or availability withdrawal declaration at a time. Should more than one such be needed at any time, then a separate Provider Data Template is required for each.

Email Submissions

Registered Service Providers should make clear, in the email accompanying the Provider Data Template, which type of submission it is (ie weekly availability declaration, availability withdrawal declaration or day ahead price redeclaration), and use the below naming conventions.

Weekly Availability Declaration, including Revised Weekly Availability Declarations:

Agent/Applicant Name – ODFM Weekly Availability Declaration – DD.YY.MM (date submitted)

Availability Withdrawal Declaration:

Agent/Applicant Name – ODFM Availability Withdrawal Declaration – DD.YY.MM (date submitted)

Day Ahead Price Declaration:

Agent/Applicant Name – ODFM Day Ahead Price Declaration – DD.YY.MM (date submitted)

Timelines

The table below outlines the timelines associated with the processes described above. As the OFDM service is reliant on manual processes, participants should factor in additional time around non-working days including bank/public holidays where required. All submissions must be full and correct, otherwise NGENSO will require re-submissions which will re-set the timings below.

Activity	Provider	NGESO
Submission Form A & B	3 business days prior to submission of first availability declaration.	N/A
Form B Validation	N/A	Up to 3 business days to assess and issue Form C or request further clarifications

Registering New Contracted Unit & Eligible Asset (<i>Provider Data Template</i>) Allocate/Remove Eligible Assets (<i>Provider Data Template</i>) Update availability or pricing (<i>revised weekly availability declarations</i>) via Provider Data Template	To be submitted no later than Wednesday 15:00 for service availability for the following 7 trading days commencing Friday 23.00	Validated no later than Thursday 12.00
Update pricing only (<i>day ahead price redeclaration</i>) via Provider Data Template	To be submitted no later than 09.00 hours on the trading day immediately preceding that in which the price update is to be applicable (eg where submitted by 09.00 hours deadline on Monday, will be effective from 23.00 hours on that Monday)	Validated as soon as reasonably practicable
Unavailability due to inability of contracted unit to deliver registered service volume (<i>availability withdrawal declaration</i>) via Provider Data Template	To be submitted promptly upon Registered Service Provider becoming aware	

Testing

Testing for the OFDM service is not required. However, participants will be expected to be able to deliver the service based on the parameters included in their Provider Data Template submission. Should performance monitoring indicate poor performance, NGENSO reserves the right under the Service Terms to de-register eligible assets and/or de-register participants as Registered Service Providers for OFDM, and will seek assurance from the participant before allowing new registrations. This may entail written assurance to NGENSO that appropriate measures have been put in place to address any concerns.

Operational Communications

The OFDM service is an optional based balancing services product that will be declared available by participants, and dispatched by NGENSO, via email.

For these purposes, the registration process includes a requirement for participants to submit (in the Provider Data Template) the following contact details for use by NGENSO in relation to each contracted unit:

Email address

Operational contact

Telephone contact number.

For further information regarding the timings and communication requirements please refer to the Service Terms.

Settlement

The OFDM service will be settled against a utilisation-based service fee (£/MW/h) which is submitted by parties through the Availability Declaration. For further information regarding how the payment is calculated, and payment terms, please refer to the Service Terms.

To correctly settle this service, NGENSO requires participants to submit a fully complete and accurate Settlement Data Template in line with the Service Terms. The Settlement Data Template outlines all the necessary data sets which are required to both correctly settle the service and apply Applicable Balancing Services Volume Data (ABSVD).

Where NGENSO and/or Elexon is unable to facilitate ABSVD, NGENSO will settle energy imbalance cashflow as per paragraph 17.3 of the Service Terms.

In addition, where it has not already done so, each participant must ensure that it has completed the necessary account forms that are outlined on our Settlement webpage in order to be set up as a vendor on NGENSO's systems. These should be submitted as soon as possible so that we make payments in a timely manner in accordance with the Service Terms.

Performance Monitoring

NGESO will conduct regular performance monitoring of the OFDM service. Please refer to the Service Terms regarding consequences of non-delivery and unavailability.

Transparency

NGESO will seek to publish standard data in line with our other balancing services in the Monthly Balancing Services Summary (MBSS). NGENSO will also seek to provide a closer to real time view of service dispatch through our normal communication channels.

Embedded Generation Connection Arrangements

ODFM balancing service product provides an opportunity for distribution connected embedded generation to enter into a voluntary contractual arrangement for service provision to NGENSO. This is envisaged as a temporary arrangement which will support NGENSO in the management of credible worst case scenarios that make it prudent to have the ODFM service in place and it is an insurance policy against emergency disconnection of DER for summer 2021. It is important that participants understand that these contractual arrangements sit entirely separate from the existing connection agreements established between each embedded generator and its host Distribution Network Operator (DNO), which remain unchanged. In particular, de-energisation and dispatch by DNOs of embedded generating plant under these connection agreements is entirely separate from, and not associated with, the provision of this temporary ODFM balancing service to NGENSO and any associated contractual payments made by NGENSO under the Service Terms, although clearly DNO actions under their arrangements with participants may have implications for the availability of ODFM service delivery which is addressed in the Service Terms.