

Informal Consultation

**Potential changes to the
Applicable Balancing Services Volume Data
Methodology Statement
relating to non-BM Balancing Services**

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Responses requested by: 15th December 2017

Contents

1	Summary.....	3
2	Introduction and background.....	4
3	Process overview and high level business requirements	7
4	Impact and Assessment	11
5	Contractual changes required.....	13
6	Responses	14
	Appendix 1 – Workgroup attendance register	16
	Appendix 2 – Terms of Reference ABSVD workgroup	17
	Appendix 3 – High level process diagram from draft BRD	20

About this document

This document is an informal consultation which seeks the views of interested parties in relation to issues raised relating to systems and processes outside the BSC affected by the changes proposed under BSC Modification P354. This informal work stream was proposed by National Grid, and this report has been developed by the Workgroup. Parties are requested to respond by **5pm on Friday 15th December** to BalancingServices@nationalgrid.com using the Response Proforma which can be found on the following link as consultation Annex C: <https://www.nationalgrid.com/uk/electricity/market-and-operational-data/transmission-licence-c16-statements-and-consultations>

Document Control

Version	Date	Author	Change Reference
0.1	16 th November 2017	National Grid	Informal Consultation to Industry

1 Summary

- 1.1 This document summarises proposed changes required to non-BSC processes in relation to performing imbalance adjustment for any Supplier whose Energy Imbalance positions are impacted by the provision of non-BM Balancing Services. It describes the deliberations of the informal Workgroup set up to consider these; in particular what changes might need to be made to the Applicable Balancing Services Volume Data (ABSVD) methodology. National Grid is seeking any views from interested parties on the proposals and also any other further options that respondents may propose.
- 1.2 A Balancing and Settlement Code (BSC) Modification P354 “Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level” was raised in February 2017 by Engie. This, and the European Guideline for Balancing Article 49 are drivers for consideration of the need to perform imbalance adjustment for parties who currently participate in the Balancing Services market outside of the Balancing Mechanism, termed “non-BM” providers.
- 1.3 To enable imbalance adjustment to be performed for these non-BM Balancing Service Providers, changes have to be made across the end-to-end process which goes from contracting for services, provision of data on delivered volumes from the provider to National Grid and ultimately to Elexon to allow imbalance volumes to be settled appropriately. This means that changes are not just required within the BSC but to systems and processes of National Grid and non-BM Balancing Service Providers. These are the focus of these changes, particularly on changes that are required to be made to the ABSVD methodology, which governs the process by which these types of data are passed through to Elexon.
- 1.4 An informal Workgroup was set up to assist National Grid in developing these changes. We would now like to gain views from the wider industry (this consultation). Following this Consultation, National Grid will consider any responses and summarise on the National Grid website.
- 1.5 This consultation does not form part of any formal governance process. The aims and purpose of the consultation is to seek views of Industry around proposed changes. Future changes to the ABSVD methodology and National Grid contracts would be made via the formal governance routes set out for them in the National Grid Electricity Transmission Licence condition C16 and contract terms respectively. An electronic copy of this consultation document can be found on the National Grid Website, <https://www.nationalgrid.com/uk/electricity/market-and-operational-data/transmission-licence-c16-statements-and-consultations>.

2 Introduction and background

Balancing Services provision, ABSVD and Imbalance adjustment

- 2.1 A variety of Ancillary or Balancing Services are procured by National Grid as the System Operator (SO) to ensure the secure operation of the electricity network in an economic and efficient manner. These services, (for example Short Term Operating Reserve “STOR”, Fast Reserve) can be delivered by providers within and outside the Balancing Mechanism (BM). Providers of services delivered outside of the BM are referred to as “non-BM”.
- 2.2 The National Grid Transmission Licence condition C16 requires National Grid to maintain a set of statements and methodologies relating to the provision of Balancing Service. For Balancing Services Providers within the BM, the ABSVD Methodology sets out how Applicable Balancing Services are taken into account and passed through to Elexon for the purposes of determining imbalance volumes. In other words, Balancing Services Providers are held whole on imbalance charges as a result of providing services to secure the system. However, this ABSVD methodology only has an explicit process around Balancing Services Providers who are part of the BM.
- 2.3 Over recent years the Balancing Services market has changed, with an increasing number of parties providing services outside of the BM. These are referred to as non-BM Balancing Services Providers. These parties, embedded within distribution networks, provide services to National Grid either directly through bilateral or tendered contracts or via a third party such as an aggregator. As these parties are not directly connected to the Transmission Network they currently see the impact (either positive or negative) of imbalance charges via the supplier with whom they contract. This often results in a “spill” payment made to the relevant supplier, who may pass this on to the non-BM party.

P354

- 2.4 A Balancing and Settlement Code (BSC) modification P354 “Use of ABSVD for non-BM Balancing Services at the metered (MPAN) level” was raised in February 2017 by Engie. The P354 proposal provides the BSC elements of ensuring that volumes of Ancillary (Balancing) services contracted and delivered outside of the BM are neutralised within the relevant Supplier BMU account. It does this through allowing the SO to provide net Collared Delivered Volumes at the MSID/MPAN Pair (Boundary Point level) to BSC Central Systems. This collaring is at the level of instruction is to ensure that any volumes of energy outside this are treated normally for imbalance calculation purposes.
- 2.5 These volumes become, for non-BM delivered services, ABSVD which is then allocated to correct the Supplier’s energy imbalance position. A concurrent consultation is running at this time on P354 at <https://www.elexon.co.uk/mod-proposal/p354/>.

Changes required to ABSVD as a consequence of P354

- 2.6 The changes to the BSC under P354 do not cover the whole process for ensuring that the aims of the modification are implemented. Changes would also be required to the ABSVD Methodology to provide the necessary data to BSC Systems to adjust Suppliers’ energy imbalance positions. This methodology forms part of the “C16 Statements” which form part of the National Grid Transmission Licence. Changes to these statements are managed by National Grid, and therefore do not fall under the P354 Modification process.

Why look at overall process impact?

- 2.7 The ABSVD methodology is a statement which describes the high level process of calculation of ABSVD. Alongside any change to the ABSVD text itself, appropriate business process changes to support this needs to be considered from a National Grid and non-BM Balancing Services provider perspective (BSC systems changes are covered wholly under P354). The focus on this should be whether current systems and process are fit for purpose to enable the change, and if not, what changes would be required.

Workgroup process

- 2.8 To allow for meaningful engagement with Industry on associated changes to the ABSVD and associated systems/processes as a result of P354, a Workgroup has been formed by National Grid to discuss how these changes might take form. This has been an “informal” process to sit outside the formal licence timelines of the C16 annual change process.
- 2.9 Membership of this workgroup has been open to all interested Industry parties. A full list of attendees is available in Appendix 1, and the Terms of Reference for the group in Appendix 2. The Workgroup met across three dates during September and October 2017.

Interaction with other work streams, future product strategy and European Balancing Guideline

- 2.10 There is a great deal of change in the Balancing space which impacts on Industry, particularly providers of services who sit outside the existing BM.

BSC Modifications

In terms of BSC Modifications, as well as P354 looking at the removal of non-BM spill payments there are BSC modifications which seek to increase the scope of the BSC to include parties who currently sit outside the BM to allow them access to GB and European markets.

- [P344 “Project TERRE implementation into GB market arrangements”](#) seeks to facilitate participation in the pan-European Replacement Reserve market and will require Aggregators to become Virtual BSC Parties and register Secondary BM Units to participate.
- [P355 “Introduction of a BM Lite Balancing Mechanism”](#) seeks to widen access to the BM by enabling smaller parties to group together to form larger BM Units, with potentially reduced obligations and lower costs than for other BSC Parties.

Though the solutions are still in draft form, it is anticipated that the volume of non-BM ancillary services provided may reduce as a result. This is because providers may move to the new Replacement Reserve (TERRE) market and to the BM if access is opened to a wider group of providers.

National Grid Flexibility work stream

Alongside these modifications the National Grid Flexibility work stream is currently reviewing the as-is suite of ancillary service products. The aim of this project is to ensure that the resultant set of products meets the needs of the SO whilst also increasing transparency and competition and decreasing barriers to entry. The first stage of this work stream was to consult on high level proposals with the industry through the System Needs and Product Strategy (SNAPS) document. For further information please see <http://www2.nationalgrid.com/UK/Services/Balancing-services/Future-of-balancing-services/>.

European Balancing Guideline

Article 49 of the European Guideline for Balancing requires TSOs to “calculate an imbalance adjustment to be applied to the concerned balance responsible parties for each

activated balancing energy bid". Effectively this means that in GB the SO will need to ensure that imbalance is correctly attributed when Balancing Services are delivered. In the case of non-BM Balancing Services providers, this means that delivered balancing energy is neutralised against the relevant Supplier's account.

2.11 The Workgroup has been mindful throughout the process of the interaction between these ongoing pieces of work, and the need to ensure that future changes are proportionate and future-proof.

Purpose of this document

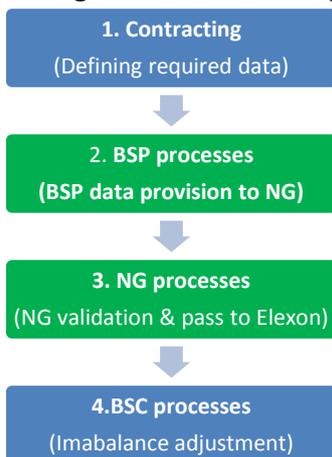
2.12 This document summarises the Workgroup's views on the changes required to the ABSVD methodology, associated business requirements and potential implementation solutions, aligned to each of these process impact, systems impact and cost. It is a discussion document rather than a decision document, and poses a number of consultation questions throughout.

3 Process overview and high level business requirements

High level information flows

3.1 In summary there are three elements of the end to end business process as outlined in Figure 1 below.

Figure 1. High level End to End process for performing imbalance adjustment for non-BM parties



3.2 The subject of this consultation is parts 2 and 3 of this process. However, a view has had to be taken on the process as a whole at a high level due to the level of interaction and dependency. The high level processes are therefore being considered in turn in this consultation document.

3.3 A more detailed process flow and detailed draft business requirements to support P354 from a National Grid perspective can be found consultation Annex B at <https://www.nationalgrid.com/uk/electricity/market-and-operational-data/transmission-licence-c16-statements-and-consultations>. The high level process flow from this draft business requirements document is also included as Appendix C of this document for ease of reference.

Contracting

3.4 In order for National Grid to send the data to Elexon as discussed above, there need to be appropriate data flows in place from the Balancing Services provider. Any requirements for this data would ultimately need to be set out in contracts for the provision of Balancing Services such as changes to the standard contract terms. These are not part of this consultation, but should Modification P354 be approved, National Grid would consider the appropriate level of changes to be made.

Data provision requirements that would be required in contracts

3.5 The Workgroup discussed the type of data that would be required in Balancing Services contracts in order to apply imbalance adjustment as accurately as possible for Suppliers with non-BM service providers within their portfolio. The Workgroup agreed that the appropriate data to be provided would be:

- Contract ID
- Delivery Site ID

- Settlement Date (GMT)
- Settlement Period
- Import MSID No.(s)
- Export MSID No. (s)
- Delivered Volume (MWh) – **collared by the instructed volume.**

3.6 The Workgroup discussed the potential issues around these data requirements. Firstly around the importance of ensuring that only Balancing Services volumes were subject to the calculation (and therefore that other volumes were subject to imbalance as normal). The Workgroup proposed resolving this issue by collaring the delivered volume by the contracted amount.

Balancing Services Provider Processes

3.7 The Workgroup discussed how data might be collated by non-BM Balancing Services providers. Types of metering data was briefly discussed, and the Workgroup felt that operational metering should be accurate enough for the scale of services being provided, and for many operational metering may be readily available within appropriate timescales.

3.8 For STOR, some Workgroup members felt that it might be useful to receive the backing data from National Grid in order to provide the basis for data submission. In terms of receipt of STOR backing data, currently this is received at the end of the month for the month preceding (for example at the end of February for services provided in January). National Grid were asked whether it would be possible for this data to be received earlier to provide a basis for submission of collared delivered volumes. This was so that accuracy would be increased as its collared delivered volumes would match National Grid's understanding.

3.9 Whilst it could be possible for National Grid to provide information earlier, the earliest this could be would be one week post-event (by Wednesday for the preceding week), this may on occasions change as additional data flows through so could not be as accurate as the current process, and would be a highly manual process requiring additional resource (approximately 0.75 days a week FTE). This data would only relate to volumes and not to payments due, this is because STOR defaults can only be calculated once all the months data is present. If similar backing data was required for other services this would have a commensurate resource implication.

3.10 Due to the trade-off between ensuring that imbalance adjustment is performed as soon as possible within Settlement runs, against quality of data, the Workgroup felt that it would be good to get more feedback from affected parties from this consultation as to views on how data might best flow from Balancing Services providers to National Grid.

National Grid Processes

3.11 The Workgroup discussed the need for high level checking that the volumes received did not breach the contracted volumes. Therefore a mechanism would be required to confirm that the delivered volumes did not breach the instructions. This would be something that would need to be a specific business requirement.

3.12 The Workgroup discussed when data should be passed to Elexon by for Settlement purposes. It was proposed that it would be a post-event submission, into Elexon systems asap, and by D+45 at the latest is proposed under P354 to align with the R1 settlement run. Some workgroup members believed that this information would need to be received earlier in order to provide certainty to Suppliers for their contracting arrangements with parties for

passing through Spill payments. The Workgroup discussed the inherent trade-off between data quality and timing of passing the data to Elexon.

- 3.13 Some Workgroup members were concerned about the interaction with the receipt of STOR backing data (see 3.9) and that this would make processes longer if not received in a shorter timescale.

BSC Processes

- 3.14 These processes are subject to BSC Modification P354 which is being consulted on in parallel to this consultation <https://www.elexon.co.uk/mod-proposal/p354/>.
- 3.15 A more detailed process flow can be found in the High Level Business Requirements document supporting this consultation.

Consultation Question 1

What are the issues with the provision of collared delivered volumes (by MSID pair, per Settlement period) from Balancing Service providers to National Grid?

Consultation Question 2

Can you provide any examples/evidence of when the proposed process flow may not work?

Consultation Question 3

Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?

Consultation Question 4

Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes? If your answer is "Yes", please describe your issue(s)

Consultation Question 5

What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?

Potential alternatives to high level process proposed

- 3.16 An alternative option to using operational metering data submitted by Balancing Service providers was suggested. This would be to install a separate settlement meter on each Reserve Providing Unit for the purposes of measuring Balancing Services provision. This data then could be fed through directly to the SO and passed on through ABSVD to Elexon. The Workgroup felt that although this option may be more straightforward in some senses, it would be disproportionately costly and onerous to require this for all Reserve Providing Units, could be classed as gold-plating and would likely create a barrier to entry to the market for small parties. The view of the Workgroup was that using operational metering data (supported by backing data where available) would resolve the defect with minimum cost and time for non-BM Balancing Services providers.

Consultation Question 6

What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?

Compliance with European balancing guideline

3.17 Article 49 of the European Balancing Guideline requires imbalance adjustment to be correctly applied to parties responsible for delivering energy. The view of both National Grid and the Workgroup is that the proposed solution would be aligned with this principle.

Supplier visibility of data

3.18 The Workgroup members discussed at what level of granularity information should be shared with Suppliers whose accounts are being adjusted for imbalance as a result of non-BM Balancing Services provision.

3.19 Some Workgroup members felt that if sufficiently granular information was not passed on to Suppliers then they would not be able to assess the correct level of “spill” relating to standard activity not relating to Balancing Services to pass on in relation to each Reserve Providing Unit. It was suggested that in the absence of the information, Suppliers would make commercial decisions to protect themselves from this unseen risk. How this might manifest itself could be not passing through any spill payments to parties or raising prices to cover the risk.

3.20 However, other Workgroup members were concerned at the prospect of data being passed to Suppliers which identified parties within their portfolio participating in Balancing Services either directly or through an aggregator that is not their Supplier. These Workgroup members were concerned that if a Supplier knew what is being ABVSD'd within their portfolio then they might impose less favourable terms on parties not providing Balancing Services directly through them.

Consultation Question 7

Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?

Consultation Question 8

Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?

Disputes

3.21 The workgroup discussed in detail how disputes might be dealt with within the end to end process. It was discussed that where a dispute came from the Supplier to whom ABSVD is being applied (or not as the case may be), that a dispute should be made to Elexon under BSC processes. Where the dispute comes from a Balancing Services provider this should be made to National Grid under the disputes process in the ABSVD methodology.

System changes required and costs

BSC systems

- 4.1 From a BSC systems perspective these are considered wholly under the P354 consultation document <https://www.elexon.co.uk/mod-proposal/p354/>.

National Grid systems

- 4.2 As outlined in the introduction section to this document there are a number of ongoing changes in the Balancing space. As well as this modification there are other BSC modifications P344 “TERRE”, P355 “BM Lite”, as well as ongoing work to implement European Network Codes and the new Product Strategy.
- 4.3 In order to achieve a portfolio wide visibility and impact assessment of the various initiatives impacting Balancing Services IS systems, such as the ones mentioned above, a Balancing Study has been established within National Grid to look at systems changes as a whole to ensure that changes are made that work together and deliver the most efficient result for the end consumer.
- 4.4 The preliminary costs and time estimate indicates that P354 implementation could be in the region of £900k and delivered 12 months following an Ofgem decision. Therefore any implementation date would be subject to the progression this modification and Ofgem’s approval, the outcomes of the Balancing Study detailed impact assessment and the firmness of the P354 requirements. Therefore, the cost and timeline mentioned above must not be taken as final at this stage.
- 4.5 Draft high level business requirements for National Grid system changes that may be required as a result of P354 can be found in consultation Annex B at <https://www.nationalgrid.com/uk/electricity/market-and-operational-data/transmission-licence-c16-statements-and-consultations>.

Balancing Service provider systems

- 4.6 The Workgroup discussed potential changes that may need to be made to Balancing Services provider systems. There were a range of views from non-BM representatives as to how straightforward these changes would be, and the Workgroup felt it would be useful to gather more information on this to understand overall implementation impact on parties, cost and timelines.

Consultation question

CQ9 - What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? How long would these take? What is the approximate cost impact of this for your business?

Implementation timescales

- 4.7 In terms of P354, implementation timescales are part of the parallel consultation, where February 2019 has been proposed as the Implementation Date into BSC systems. However, this may differ to implement the whole tranche of changes, the changes to the ABSVD and

National Grid contracts with Balancing Services providers and consequential system impacts as a result of these.

- 4.8 In terms of National Grid's systems and having the provisions in place for the transfer of collared delivered volumes, it is anticipated that the relevant IS changes may be in place by April 2019. However, contract changes may follow on at a later date as appropriate.
- 4.9 The Workgroup discussed whether April 2019 or April 2020 was the most feasible Implementation Date for imbalance adjustment to be performed for non-BM Balancing Services. Some Workgroup members felt that as the issue had been raised as a result of a defect in the market, that it should be actioned as soon as possible, and therefore an April 2019 date should be targeted. However, others expressed the view that it was important to give as much notice to industry as possible to ensure that businesses have sufficient time to adjust their business models and that April 2020 would be more appropriate.
- 4.10 The interaction with STOR tender rounds was also discussed. The next STOR tender round is expected by industry in early 2018, and if following recent standard practice would be for a two-year duration. Some Workgroup members felt that this supported an April 2020 implementation date, whereas other parties felt that National Grid should consider only tendering for STOR for one year as part of the early 2018 tender round to enable an April 2019 implementation of these changes.
- 4.11 There is also an interaction with changes to the market under P344 "Implementation of Project TERRE" which is due to go live in late 2019. This may reduce the size of the "Non-BM" Balancing Services market. Implementing P354 changes following this date may reduce parties having to make multiple changes to systems and processes in close timescales.

Consultation question 10

Of the April 2019 and April 2020 implementation dates proposed, which do you believe is more appropriate?

5 Contractual changes required

Changes required to the ABSVD methodology

- 5.1 As described in 2.2, a number of changes would be required to be made within the ABSVD methodology in order to enable the implementation of BSC Modification P354 and to fulfil the forthcoming legal requirements of the European Balancing Guideline. These changes broadly cover three areas: (1) A removal of the optionality to apply ABSVD to parties providing ancillary services via a supplier, (2) Using collared delivered volumes by MSID pair for performing the ABSVD calculation for parties providing ancillary services via a suppliers and (3) changing ABSVD submission dates for non-BM ABSVD volumes.
- 5.2 This has been done within the ABSVD document through creating new sections in the document for non-BM Balancing Services provision. These proposed changes to the methodology are in a tracked changes ABSVD document published alongside this consultation document in Annex A at <https://www.nationalgrid.com/uk/electricity/market-and-operational-data/transmission-licence-c16-statements-and-consultations>.

Consultation question 11

Do you agree with the proposed changes to the ABSVD methodology?

Changes required to Balancing Service Contracts

- 5.3 It is anticipated that should P354 be approved by Ofgem, the requisite changes would be made to contracts with Balancing Services providers to require the information data flows to enable National Grid to pass collared delivered volumes by MSID Pair to Elexon.
- 5.4 The standard contractual framework terms (SCTs) for STOR, FFR and Fast Reserve, Demand Turn-up (and any appropriate ad-hoc contract) would need to be changed to include the requisite data flows. Processes by which the Standard Contract Terms are changed are set out in full at <http://www2.nationalgrid.com/uk/services/balancing-services/>.
- 5.5 At a high level, changes are proposed by National Grid through an Outline Change Proposal, setting out the rationale and proposed change. There is then a consultation on the Outline Change Proposal with affected parties, the outcome of which forms a Detailed Change Proposal. There are further opportunities for providers to challenge the Detailed Change Proposal prior to its publication and effective date.
- 5.6 It is anticipated that following any approval from Ofgem, National Grid would undertake the appropriate changes to the relevant contracts.

Balancing Service provider contracts with Suppliers

- 5.7 There may be a number of industry contracts that will need to change as a result of the inclusion of non-BM services in ABSVD e.g. PPAs. This is not something the Workgroup had full visibility on but wished to flag it as a potential issue in the consultation.

6 Responses

6.1 National Grid is seeking the views of interested parties in relation to the issues noted in this document and specifically in response to the questions highlighted in the report and summarised below:

Consultation questions;

CQ1 What are the issues with the provision of collared delivered volumes (by MSID pair, per settlement period) from Balancing Service providers to National Grid?

CQ2 Can you provide any examples/evidence of when the proposed process flow may not work?

CQ3 - Where backing data received from National Grid is used as the basis for allocating delivered volumes to MSID pair: Approximately how long would it take for service providers to undertake this exercise following the receipt of the data?

CQ4 - Where backing data is not available or not a preferred option, are there any issues with using operational metering data to derive collared delivered volumes?

CQ5 - What priority should be given to accuracy of information vs. speed of imbalance adjustment? I.e. is basing volume submissions on backing data a priority over reaching an earlier stage of settlement runs?

CQ6 - What are your views on the Workgroup position that resolving this issue through the installation of separate settlement meters on each Reserve Providing Unit would not be a proportionate option?

CQ7 - Should information be provided to Suppliers on the ABSVD volumes neutralised within their energy accounts at any greater granularity than a Supplier account level? At what level of granularity should this information be provided?

CQ8 - Do you believe there are any competition issues associated with the provision of information to Suppliers of ABSVD volumes associated with their energy accounts? How might this be mitigated?

CQ9 - What system changes would be required for Balancing Services providers to be able to pass this data to the System Operator? What is the approximate cost impact of this for your business?

CQ10- Of the April 2019 and April 2020 implementation dates, which do you believe is more appropriate?

CQ11- Do you agree with the proposed changes to the ABSVD methodology?

CQ12 – Do you have any other comments?

- 6.2 Please send your response using the response proforma which can be found as Annex C on the National Grid website via the following link: <https://www.nationalgrid.com/uk/electricity/market-and-operational-data/transmission-licence-c16-statements-and-consultations>
- 6.3 Views are invited upon the proposals outlined in this report, which should be received by **5pm on Friday 15th December 2017**. Your formal responses may be emailed to: BalancingServices@nationalgrid.com
- 6.4 If you wish to submit a confidential response, please note that information provided in response to this consultation will be published on National Grid's website unless the response is clearly marked "Private & Confidential", we will contact you to establish the extent of the confidentiality.
- 6.5 Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked "Private and Confidential".

Appendix 1 – Workgroup attendance register

A – Attended
 X – Absent
 O – Alternate
 D – Dial-in

Name	Organisation	Role	13 Sept 2017	26 Sept 2017	13 Oct 2017
Adelle Wainwright	National Grid	Chair	A	A	A
Simon Lord	Engie	Workgroup member	X	A	A
Andrew Rimmer	Engie	Alternate	O	X	X
Marcelo Torres	Ofgem	Workgroup member	A	A	A
Matthew Tucker	Welsh Power	Workgroup member	X	A	A
Ryan Goddard	Welsh Power	Alternate	O	X	X
Nick Sillito	Peak Gen Power	Workgroup member	X	X	A
Claire Kerr	Elexon	Workgroup member	D	A	A
Colin Berry	Elexon	Workgroup member	A	A	A
Lisa Waters	Waters Wye	Workgroup member	A	A	A
Rick Parfett	ADE	Workgroup member	A	A	X
Andy Colley	SSE	Workgroup member	X	X	D
Kate Garth	Npower	Workgroup member	D	X	X
James Anderson	SP	Workgroup member	A	X	A
Bill Reed	RWE	Workgroup member	A	A	A
Esther Sutton	Uniper	Workgroup member	D	X	A
Saskia Barker	Flexitricity	Workgroup member	D	X	A
Chris Granby	Infinis	Workgroup member	X	A	X
Tariq Hakeem	National Grid	NG rep	A	A	X
Haarith Dhorat	National Grid	NG rep	D	X	D`
Adam Sims	National Grid	NG rep	D	X	X
Chris Fox	National Grid	NG rep	A	X	X
Greg Heavens	National Grid	NG rep	X	x	A
Muslim Jagani	National Grid	NG rep	A	A	A
Rituraj Saikia	National Grid	NG rep	A	X	A
Matthew Hopkins	National Grid	NG rep	X	A	X

Appendix 2 – Terms of Reference ABSVD workgroup

This is the terms of reference agreed by the first meeting of the C16 ABSVD Workgroup. Changes were made to subsequent consultation dates to align with P354 timelines.

C16 ABSVD Workgroup TERMS OF REFERENCE

1 Governance

1. The C16 ABSVD Workgroup was established by National Grid as an ad-hoc Workgroup to discuss the implementation of P354 into National Grid's systems and processes, including the update of the ABSVD methodology.
2. This is an "informal" Workgroup and does not form part of a formal governance process. Any proposed changes made to the ABSVD as part of this workgroup would only be made as part of the formal C16 annual update process.

2 Scope

3. The Workgroup shall consider and report on the following questions:
 - Proposed changes to the ABSVD methodology required to enable imbalance adjustment to be performed for all types of balancing service providers (including flexibility providers) outside the BM.
 - What different types of metering configurations exist at the moment, and how is metering data available and delivered for confirming service delivery?
 - What is the ideal metering standard of accuracy for measurement of delivery of ancillary services?
 - What do current contracts require including the capacity mechanism?
 - What is the ideal standard of accuracy?
 - Are there any other solutions that whilst not ideal would be sufficient?
 - What is the ideal level of metering? Is this at the boundary, MPAN or sub-site level?
 - What are the different financial and process implications of implementing these differing solutions?
 - What are the differing costs across industry for each of these solutions?
 - What would the process implications be in terms of data transfer (timing, systems etc.)
 - In what timescales do National Grid and Elexon require metering data for settlement?
 - Who should be responsible for providing this information?
 - What are the dependencies and interactions with other ongoing work, i.e. product strategy, systems updates, other modifications?

- How do we change the ABSVD to ensure it is aligned with European Codes (including Article 49 Balancing Guideline imbalance adjustment for all Article 53 of TSOG)?
 - What changes are required to the contractual framework and how will these be implemented?
4. The scope of the Workgroup shall not include:
- Discussion on the merits of performing imbalance adjustment for all.
 - Discussion on the P354 text itself as this forms part of the BSC modification process.

3 Responsibilities of the Workgroup

5. Each member shall confirm that they will be available to attend Workgroup meetings and to carry out work to be undertaken outside meetings as necessary including reviewing any documentation produced by or on behalf of the Workgroup.
6. Workgroup members shall inform the secretary if they do not wish to continue as a member of the Workgroup.

4 Workgroup meetings

7. Workgroup membership is open to all interested Industry parties.
8. NGET will appoint a Chair and will also handle administrative arrangements such as venue, agenda, and recording actions and meeting notes.
9. The frequency of Workgroup meetings shall be defined as necessary by the Workgroup Chair to meet the scope and objectives of the work being undertaken at that time and to achieve the timetable set by the Chair.
10. The Workgroup will meet in person, but may decide to hold meetings by teleconference with agreement of the Chair and a majority of the membership.
11. An agenda and any supporting material for the meeting will be issued to Workgroup members as required to allow Workgroup members to consider these items prior to the meeting.
12. Actions from the Workgroup meetings will be circulated to the members [day agreed at the end of the meeting] after the meeting to ensure sufficient time is provided for completing the actions.

5 Deliverables

13. The Workgroup will produce the following two outputs for an informal consultation:
 - Draft proposed changes to the ABSVD methodology
 - Implementation options paper

6 Timescales

14. This Workgroup will hold a first meeting 8th September 2017. Three meetings will be held prior to the informal consultation being issued on 16th November 2017.

Appendix 3 – High level process diagram from draft BRD

P354 – ABSVD at MSID level – preferred solution (draft)

version 0.7

