

11th October 2017

Dear Provider

Notification of Optional Trial: Methodology for Performance Monitoring of Dynamic Firm Frequency Response

On 1st September 2017 National Grid (NG) published a clarification letter to the industry following an update of the FFR Testing Guidance document and Injection Profiles. Appendix 2 in the clarification letter outlined “outstanding questions under investigation,” of which a revised baseline methodology for Demand Side Response (DSR) was topic 1.

NG would like to inform the industry of its intention to implement such a trial for DSR. This will take the form of an optional trial for a defined period of time with the option of extension. The learnings from this will subsequently feed into how performance monitoring shall be managed within the new FFR product suite. NG would like to go-live with the trial on 1st December 2017.

This trial is being implemented in order for NG to improve the accuracy of monitoring provider’s performance given the increasing volume of variable demand that is participating. This will assist with reviewing the balance between initial testing requirements and increased performance monitoring. NG has conducted initial research into alternative methodologies and the consultation with industry shall be based on analysis completed to date around NG’s preferred methodology. A timeline of key milestones planned is noted below. These may be subject to change depending on the volume of consultation responses.

Date	Activity
25 th October 17	1 st draft of trial methodology published for consultation
6 th November 17	Feedback deadline
22 nd November 17	Publication of final draft and contractual on boarding
1 st December 17	Targeted go live.

Participating in this trial will result in following a revised methodology that will feed into the calculation of the Percentage Performance Measure (PPM) under section 4a.14 of the Standard Contract Terms (SCT’s). The trial will not amend the Performance Factor % that is applied to calculate monthly payment deductions.

Initially the trial will be open to Non-BM dynamic participants. Providers who choose not to participate will remain on the current Standard Contract Terms. For the avoidance of doubt, participants will not be subject to different penalty percentages and the trial will not impact NG’s rights to performance monitor and associated payment deductions.

Updates to industry shall be posted on the NG FFR webpage and will be communicated through our standard distribution list. If you have any queries please do not hesitate to contact your account manager or Business Development Team on 01926 654611.

Kind Regards

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For and on behalf of National Grid Electricity Transmission plc