

Assessment Procedure Consultation Responses



P376 'Utilising a Baseline Methodology to set Physical Notifications for Settlement of Applicable Balancing Services'

This Assessment Procedure Consultation was issued on 13 January 2021, with responses invited by 2 February 2021.

Phase

Initial Written Assessment

Definition Procedure

Assessment Procedure

Report Phase

Implementation

Consultation Respondents

Respondent	Role(s) Represented
The Association for Decentralised Energy (ADE)	Trade Body representing ~150 members including Suppliers, Virtual Lead Parties (VLPs) and aggregators
Centrica	Generator, Supplier, VLP
Enel X	VLP
Grid Beyond	VLP
IMServ Europe Ltd	Half Hourly Data Aggregator (HHDA)
RWE Supply & Trading GmbH	Generator, Supplier, Non Physical Trader
Salient Systems Limited	Software system solutions provider for Supplier Agents
Scottish Power	HHDA
Sembcorp Energy UK	Generator, Supplier
Siemens Managed Services	HHDA

P376
Assessment Consultation
Responses

10 February 2021

Version 1.0

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Question 1: Do you perceive that the current arrangements provide a barrier to you participating in the provision of balancing services?

Summary

Yes	No	Neutral/No Comment	Other
5	1	4	0

Responses

Respondent	Response	Rationale
ADE	Yes	<p>ADE members have indicated that, in cases where a VLP controls an asset that shares a network connection with other assets that are outside of their control, it is not always possible to submit accurate Physical Notifications (PNs). This creates a risk of inaccurate settlement, with VLPs not paid fully for their response and potentially incurring non-delivery charges, even in situations where they have responded perfectly.</p> <p>While sub-metering under the P375 solution (which the ADE also fully supports) can address this problem in some cases, by excluding sources of noise, it does not solve the problem of knowing the counterfactual. In other cases, P375 may be difficult to implement for reasons of cost-effectiveness or reasons of network topology. The P375 and P376 solutions therefore help to reduce barriers to participation in different ways and should both be approved.</p>
Centrica	Yes	<p>We think that the current arrangements are restricting assets from participating in the Balancing Mechanism. We believe P375 and P376 will enable behind-the-meter assets to participate in the BM, unlocking new forms of flexibility.</p>
Enel X	Yes	<p>As a demand response aggregator, we work with many commercial and industrial energy users, making use of the flexibility in their operations to provide all kinds of demand response services.</p> <p>To do this, we need to have a very good understanding of what aspects of their operations are flexible, to what extent (in terms of magnitude, speed, and duration), and how this varies over time. By aggregating many such customer sites together we can make offers into whatever suitable markets are open to access, and deliver on those commitments with high reliability.</p> <p>However, while we understand to what extent we can flex demand on these sites, we do not have a good understanding of their total demand, as this involves many other factors that are irrelevant to the provision of flexibility. We are not in a position to forecast their</p>

Respondent	Response	Rationale
		<p>demand, and if we were to attempt to do so, such forecasts would be quite inaccurate.</p> <p>At present, to offer aggregated flexibility as a Virtual Lead Party, we would need to forecast the total demand of the sites in each Secondary BMU, and any errors in this forecast would be treated as errors in the delivery of balancing services. Although we are confident that we can deliver balancing services accurately, we believe that settling on the basis of these erroneous forecasts would cause us (and/or our customers, depending on commercial arrangements) to be penalised quite frequently, undermining the business case for participation.</p> <p>This barrier to participation is almost unique to Great Britain. In every market we are aware of worldwide which has succeeded in developing large-scale participation of demand response, the response is measured relative to an objectively calculated baseline, rather than a forecast.</p>
Grid Beyond	Yes	Under current arrangements, we are not able to sign up most of BTM assets in BM as predicting an accurate MSID level PN can be quite difficult, especially for smaller-carbon free- BTM assets. Therefore even though in theory, VLP route has given market access to aggregators, in reality we are not able to use most of our assets that are BTM assets in BM.
IMServ Europe Ltd	No response	No view
RWE Supply & Trading GmbH	No	The current arrangements are not a barrier to our participation in the provision of balancing services.
Salient Systems Limited	No response	None provided
ScottishPower	No response	None provided
Semcorp Energy UK	Yes	<p>We agree with the intention of the modification proposal to remove barriers to entry to the BM for flexibility.</p> <p>We particularly support P376 as it would help mitigate a key risk for private wire networks i.e. the impossibility to submit accurate Physical Notifications (PNs) in cases where a VLP controls assets that share a network connection with other assets that are outside of their control. This would exacerbate the risk of inaccurate settlement.</p> <p>The intricacy of private wire networks and their peculiar arrangements need a solution like P376 to ensure that, where there is appetite from flexible assets to participate</p>

Respondent	Response	Rationale
		<p>in the BM, they can do so in a way that is functional and feasible from the point of view of the VLP as well as the individual assets.</p> <p>Although we believe that metering at asset level (P375) would be a suitable solution for certain instances, that approach would not work in others. In a complex private wire network, it would not be operationally feasible to install settlement meters at asset level and it would not anyway introduce a suitable mechanism for the VLP to submit accurate PNs. Therefore, the P376 solution is very much needed to lower barriers to participation in the BM, should there be the appetite to do so.</p>
Siemens Managed Services	No response	None provided

Question 2: If P376 were to be implemented, would it improve your ability to provide balancing services to NETSO?

Summary

Yes	No	Neutral/No Comment	Other
5	1	4	0

Responses

Respondent	Response	Rationale
ADE	Yes	<p>P376 would allow creation of a baseline value to be used in Settlement calculations in place of an FPN, thereby enabling more accurate determination of whether a balancing service has been delivered as instructed. This would improve ADE members' ability to provide balancing services to NETSO by ensuring that they are paid for their response and do not risk facing non-delivery charges in situations where they have responded as instructed.</p> <p>P376 may also be used in conjunction with P375, in cases where parties register AMSIDs under P375 but full separation of the controllable assets is not possible – in this case, it may be desirable to apply baselining methodologies to volumes metered at AMSIDs.</p>
Centrica	Yes	DSR would be better able to participate.
Enel X	Yes	It would allow us to offer flexibility from customer sites safe in the knowledge that our performance will be measured in a conventional way: using a baseline methodology to make an objective estimate of what the consumption would have been in the absence of a dispatch. This will allow us to work with a much wider range of types of customer loads, rather than just the small minority for which it may be possible to provide sufficiently accurate forecasts.
Grid Beyond	Yes	<p>This can definitely help with our assets that are part of more stable sites, though we must make sure not to include historical dispatches (for other balancing services) for the purpose of calculating baseline.</p> <p>We strongly believe the only solution that enable us to register all our BTM, carbon free, assets is applying baseline method to operational metering data(asset level, or BMU level). As this is not possible at this point, we think P376 can give us a short term solution to at least register a portion of our BTM portfolio in BM.</p>
IMServ Europe Ltd	No response	Don't currently provide balancing services

Respondent	Response	Rationale
RWE Supply & Trading GmbH	No	We do not currently provide balancing services from customers that could provide balancing services as envisaged under P376.
Salient Systems Limited	No response	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	<p>We support the solution of allowing baselining methodologies to be applied to boundary Metering System Identifiers (MSIDs).</p> <p>This would enable an accurate verification of whether a balancing service has been delivered as instructed, without imposing the P375 solution in cases where that is not feasible. P376 would allow VLPs to provide balancing services to the ESO and would ensure that they are remunerated appropriately for their response.</p> <p>The additional further step of applying baselining to operational Asset Metering System Identifiers (if P375 is approved) should be a voluntary arrangement to the baselining applied to MSIDs, not a replacement to the baselining applied to boundary MSIDs.</p>
Siemens Managed Services	No response	None provided

Question 3: If you intend to register any MSID Pairs to use the baselining solution, are these new sites that have not been used to provide balancing services before?

Summary

Yes	No	Neutral/No Comment	Other
2	1	7	0

Responses

Respondent	Response	Rationale
ADE	No response	As a trade association, the ADE cannot provide a response to this question.
Centrica	No	None provided
Enel X	Yes	<p>If this modification is implemented, we will consider the Balancing Mechanism to be open to participation by aggregated demand response, so will be able to include a large proportion of our customer base. Currently those customers participate in other markets (such as the capacity market and providing ancillary services to the ESO), but not in the Balancing Mechanism. In addition, we are continually recruiting customers, and we would expect that, with this modification in place, Balancing Mechanism participation would become an attractive part of the offering, so many of them would choose to take part.</p> <p>To give an idea of scale, in the T-4 capacity market auction for the 2023-24 delivery year, we cleared a total of 452 MW of demand-side response capacity market units. Due to the de-rating factors that apply in the capacity market, meeting this commitment will require at least 525 MW of physical demand-side flexibility. Exactly how many MSID Pairs this would sit behind is hard to guess at this stage: across our global portfolio, the average site provides around 1 MW of flexibility, but so far in GB, as a less mature market, sites have been a bit larger.</p>
Grid Beyond	Yes	Yes, these are all new sites.
IMServ Europe Ltd	No response	None provided
RWE Supply & Trading GmbH	No response	We do not intend to register any MSID Pairs to use the baselining solution at this time.
Salient Systems Limited	No response	None provided
ScottishPower	No response	None provided

Respondent	Response	Rationale
Semcorp Energy UK	No response	None provided
Siemens Managed Services	No response	None provided

Question 4: Are there any other uses for baselining methodologies not considered by this Modification?

Summary

Yes	No	Neutral/No Comment	Other
4	2	4	0

Responses

Respondent	Response	Rationale
ADE	Yes	While all necessary assurance checks for P375 sub-metering will be contained in the new Code of Practice 11, P376-style baselines could provide an additional optional assurance check for some sites.
Centrica	No	None provided
Enel X	Yes	Baselining methodologies are already widely used in almost all markets in which demand response participates. In GB, most of these don't impinge on the BSC. However, there is one useful application in relation to P375. When using asset-level metering, there needs some process for verification of asset independence. This is an anti-gaming measure: ensuring that actions measured by a sub-meter are not counteracted by other actions elsewhere on the site. Applying a baseline methodology to the data from the site's boundary meter would be an obvious first step in such a statistical analysis. It may be possible to reduce the implementation and/or ongoing costs of P375 by making use of the automated baseline calculation functionality that forms part of P376.
Grid Beyond	Yes	We believe this should be applied to other balancing services such as dynamic containment to enable us to use BTM demand assets.
IMServ Europe Ltd	No response	No view
RWE Supply & Trading GmbH	No Response	None provided
Salient Systems Limited	Yes	<p>We see P376, P375 moving ahead hand in glove, they should and will sit nicely together in our view (adopt AMSID's at P376 to reinforce synergies and better facilitate integrations/migrations between policies).</p> <p>P376 approved and appropriate baselining methods would, in our view, contribute very effectively to improving (or at least testing) the confidence/risk attached to P375 related</p>

Respondent	Response	Rationale
		FPNs from Suppliers and VLPs – a useful addition to product assurance methods
ScottishPower	No response	None provided
Sembcorp Energy UK	No	None provided
Siemens Managed Services	No response	None provided

Question 5: Do you agree with the Workgroup that the draft legal text in attachment A delivers the intention of P376?

Summary

Yes	No	Neutral/No Comment	Other
5	0	4	1

Responses

Respondent	Response	Rationale
ADE	Yes	The draft legal text appears to deliver the intention of P376.
Centrica	No response	We have not reviewed
Enel X	Yes	<p>We believe that the draft legal text delivers the intention of P376.</p> <p>We do have one suggested improvement, though. It deals only with an “edge case”, so it would rarely have practical effect, but it would avoid the potential for a nasty surprise.</p> <p>Specifically, it relates to what happens if, for a particular MSID Pair, there is unexpectedly insufficient data to calculate an MSID Baseline Value. In the draft text, this would lead to that MSID Pair being excluded from the Baselined Expected Volume. However, since it was expected to be baselined, that MSID Pair would not have been included in the Party Submitted Expected Volume, submitted before gate closure. Hence it will not be included in the Settlement Expected Volume (SEV) calculated in §S-2 7.3.5. It will also not be included in the Period Expected Metered Volume (QME) in §T 4.3.3A. However, that MSID Pair will still be included in the BM Unit Metered Volume (QM) in §T 4.2A.1. When QME is compared to QM to calculate imbalances and non-delivery, this will lead to an error: essentially the MSID Pair is included on one side of the comparison but not the other, which seems conceptually wrong. The size of this error will be unpredictable, but could be substantial.</p> <p>In these unusual circumstances, rather than introducing this unpredictable error into the calculations, it would be less surprising (and therefore better) to remove the MSID Pair from the Secondary BMU settlement calculations altogether – i.e. because we have no counterfactual against which to measure the site’s response, the cleanest approach it to treat it as if it did not respond – i.e. as if it delivered 0 MWh of the balancing service.</p> <p>We have two suggestions for how this could be achieved. Arguably the cleanest approach would be to treat any</p>

Respondent	Response	Rationale
		Baselined MSID Pair for which it was not possible to calculate an MSID Baseline Value as if it were Inactive. An alternative approach would be to set the MSID Baseline Value to equal the MSID Pair's Metering System Metered Consumption for that interval, so that there will be no difference between the baseline and actual values – i.e. this dummy baseline value will exactly cancel the problematic MSID Pair's contribution to QM.
Grid Beyond	Yes	None provided
IMServ Europe Ltd	No response	No view
RWE Supply & Trading GmbH	Yes	The draft legal text in attachment A delivers the intention of P376
Salient Systems Limited	Neutral	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	The draft legal text seems suitable to deliver the intent of P376.
Siemens Managed Services	Unclear of HHDA role	It is understood that existing processes will be used to obtain consumption data from HHDA's following notification by the SVAA of the MSID's for which consumption data is required. However, the requirement of HHDA's to provide MSID consumption data currently is to deliver consumption data in accordance with the Settlement (aggregation) Calendar. There appears to be no change to BSCP503 to accommodate the additional requirement to provide historic data and provide notification where historic data is unavailable. Can it be confirmed how these transactions are to take place?

Question 6: Do you believe there are any alternative solutions that have not been considered?

Summary

Yes	No	Neutral/No Comment	Other
3	5	2	0

Responses

Respondent	Response	Rationale
ADE	No	None provided
Centrica	Yes	For Centrica modification P375 is more useful to unlocking BM providers, but welcome P376 as an additional route.
Enel X	No	We cannot think of a better approach that would work in the context of the Balancing Mechanism.
Grid Beyond	Yes	We strongly believe the best solution for BTM assets, is to apply baseline method to operational metering data, and we should apply for that modification as soon as it become legally possible, at this stage P376 can open the market for a portion of our BTM assets where the site's load is predictable and stable.
IMServ Europe Ltd	No response	No view
RWE Supply & Trading GmbH	No	We do not believe that there are any appropriate alternatives to the proposal.
Salient Systems Limited	Yes	<p>The solution logic and parameters are sound, including that of the P376 extension.</p> <p>We note that membership of the P376 workgroup does not appear to include representation from any metering agent companies. It certainly appears to be the case that the detailed implementation policy, the 'who does what', has not benefitted from any contributions to the workgroup from any HHDC/DA Metering Agents.</p> <p>Had that been otherwise it would be expected that experienced HHDC/DA agents would have highlighted that the HHDC, rather than SVAA, is a far more sensible, flexible, efficient and economical choice of agent to produce Baseline views of MS consumption data.</p> <ul style="list-style-type: none"> The HHDC role is already properly identified as the appropriate industry party to produce estimated consumption data where necessary. The HHDC is familiar with applying industry approved 'baselining' methods and is also trusted and expected to deliver MS specific consumption

Respondent	Response	Rationale
		<p>profiles and load shapes that will be used to replace or complement standard estimation methods where required.</p> <ul style="list-style-type: none"> The implementation of MS specific load shapes and alternate baselining methods will be problematic if they always implicate change requirements against SVAA. The HHDC will be motivated to implement change and provide assurance to client and to Elexon far more quickly than change would be applied to the central SVAA system (would become a 'vanilla' service). The proactive HHDC will typically already be delivering extended service level options to their Supplier and VLP clients which will illuminate possible PN notifications and bid/offer nominations and will validate and reconcile outcomes at the BM. So, taking the extra step to provide the same such 'baseline' consumption data estimates to SVAA would be sensible. The HHDC that provides such extended services to Suppliers and VLP's would be achieving an uplift to their service charge from those clients who will benefit from the specific opportunities at the BM enabled and supported by the agent extended service. The industry costs to implement P376 would thus be better positioned at their Supplier and VLP beneficiaries rather than shared across industry as a result of more extensive, expensive central system change (estimate of 1.6 million for central system change also appears extremely excessive !?)
ScottishPower	No response	None provided
Sembcorp Energy UK	No	None provided
Siemens Managed Services	No	As the market is currently designed there remains a reliance upon the HHDA to provide BMU collated data. This solution does require an amendment to the HHDA responsibilities in the provision of historic consumption data though the response to Question 5 requires clarification. Given the MHHS TOM will remove a de-centralised aggregation function, imposing changes now to a service that has a limited life is unfortunate though with the current model there appears to be no better alternative.

Question 7: Do you believe that in the absence of any other alternative solutions, the above P376 extension should be raised as an Alternative Modification?

Summary

Yes	No	Neutral/No Comment	Other
5	0	5	0

Responses

Respondent	Response	Rationale
ADE	Yes	The ADE supports raising the P376 extension proposed within the Consultation as an Alternative Modification. The Workgroup has agreed that it would be desirable to allow baselining methodologies to be applied to Operational Metering; the proposed extension would allow this possibility while leaving Ofgem free to choose to approve or reject any possible combination of P376 and P375.
Centrica	No response	None provided
Enel X	Yes	As discussed in our response to Q8, it is desirable that the P376 and P375 modifications should be able to be used together – i.e. a baselining methodology applied to data from sub-meters. While this end-state could be achieved through a separate modification submitted after P375 and P376 are completed, this would be needlessly slow. It would also be needlessly expensive, as system changes designed around P375 and P376 in isolation would then need to be reworked to support the interaction of the two. We agree with the workgroup’s reasoning that offering the combination of P376 and P375 as an Alternative Modification will give the Authority the full range of options.
Grid Beyond	Yes	Definitely, otherwise predicting the load of the sites in advance will in most cases results in wrong PNs
IMServ Europe Ltd	No response	No view
RWE Supply & Trading GmbH	No response	We support the introduction of an efficient solution to the baselining modification and its interaction with P375. However, given that P375 has not been approved we can only assess P376 against the current baseline (which does not include AMSIDs). If it is legally permissible then we would support an alternative that can take into account the potential implementation of P375 (noting that this alternative is contingent on implementing P375).

Respondent	Response	Rationale
Salient Systems Limited	Yes	In our view not to align P376 as closely to P375 as possible (adopt and include AMSID approach) would be a serious omission that will be very costly to correct after P376 implementation.
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	We support raising the extended solution as an alternative. As mentioned in response to Q2, the extension to also allow baselining techniques to be applied to AMSID Pairs should be an additional element, not a replacement to the possibility to apply baselining to boundary MSIDs.
Siemens Managed Services	No response	None provided

Question 8: Do you agree that the P375 and P376 solutions are complimentary and can work together to deliver the maximum benefit or should a Party be required to choose which solution to use?

Summary

Yes	No	Neutral/No Comment	Other
6	0	4	0

Responses

Respondent	Response	Rationale
ADE	Yes	As noted in the consultation, there may be situations where maximum benefit is derived from use of the P375 and P376 solutions together, such as where parties register AMSIDs under P375 but full separation of the controllable assets is not possible – in this case, it may be desirable to apply baselining methodologies to volumes metered at AMSIDs. Parties should be free to choose to use either solution or both together.
Centrica	Yes	We support this as there may be situations where P375 and P376 solutions together would provide the most accurate view of the BMU behaviour.
Enel X	Yes	<p>While many of the examples used in the development of P376 focus on the idea of a site having a controlled asset and several uncontrolled assets – implying that sub-metering the controlled asset would be a workable alternative – this is really an oversimplification.</p> <p>On many customer sites, demand response is not provided by stopping or starting one particular asset. Rather, the response is provided through changes to the site’s overall operations, involving a range of assets scattered across the site. During different dispatches, different assets may be affected, depending on the site’s particular production schedule. Sub-metering alone is an impractical approach for such sites.</p> <p>In other cases, there may indeed be one large asset that is being used to provide the response, but not by stopping or starting the whole of that machine. Rather, there are different ways of operating the machine that allow its energy consumption to be flexed. On such sites, there is nowhere that a sub-meter can be placed that would separate out the flexible part of the asset’s demand from the other parts.</p> <p>In both cases, the situation described in our response to Q1 applies: we know how much flexibility can be provided, but we do not know with sufficient accuracy what the total</p>

Respondent	Response	Rationale
		demand will be. P376 is therefore necessary if the site is to participate without excessive errors. However, the less noisy the input signals, the more accurate the calculated baselines will be. So allowing the use of P375 sub-meters, where practicable, to obtain less noisy measurements (by excluding assets that are entirely uninvolved in the response) will reduce errors in the P376 baselines, giving a better outcome than using either the P375 or P376 approaches alone.
Grid Beyond	Yes	Yes, we believe as soon as P375 is implemented, we should introduce a new modification to apply the baseline method on operational metering data
IMServ Europe Ltd	No response	No view
RWE Supply & Trading GmbH	No response	We agree that there are potential interactions between the P375 and P376 solutions. However, each modification is a stand alone change to the BSC and should be treated as such (see also our answer to question 5).
Salient Systems Limited	Yes	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	<p>Parties should be free to choose to use either solution or both together.</p> <p>These modifications aim at removing barriers, not at imposing obligations or introducing solutions that would not be feasible in certain networks due to their topographic intricacy.</p> <p>Parties should be able to choose which solution to implement, if there is appetite to participate in the BM and provide balancing services.</p>
Siemens Managed Services	No response	None provided

Question 9: Do you agree with the Workgroup’s assessment that P376 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC and is consistent with the EBGL objectives?

Summary

Yes	No	Neutral/No Comment	Other
6	0	4	0

Responses

Respondent	Response	Rationale
ADE	Yes	If implemented, P376 would require changes to elements of the Article 18 terms and conditions. P376 is consistent with EBGL objectives as it fosters competition by removing barriers to providing balancing services and enhances efficiency of balancing by increasing the variety of participants that can provide these services.
Centrica	Yes	None provided
Enel X	Yes	It clearly affects the Article 18 terms and conditions, but the changes are all consistent with the EBGL objectives. Specifically, this modification will foster effective competition (objective A), enhance the efficiency of balancing (objective B), remove undue barriers to entry (objective E), and facilitate the participation of demand response including aggregation facilities (objective F).
Grid Beyond	No response	None provided
IMServ Europe Ltd	No response	No view
RWE Supply & Trading GmbH	Yes	P376 relates to the provision of balancing services and therefore impacts of the terms and conditions for balancing as set out under the Electricity Balancing Guidelines (EBGL)
Salient Systems Limited	Yes	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	P376 impacts EBGL Art 18 and elements of the terms and condition will need to be changed accordingly. P376 is also consistent with the EBGL objectives as it fosters competition and enhances efficiency of balancing.

Respondent	Response	Rationale
Siemens Managed Services	No response	None provided

Question 10: Do you have any comments on the impact of P376 on the EBGL objectives?

Summary

Yes	No	Neutral/No Comment	Other
3	4	3	0

Responses

Respondent	Response	Rationale
ADE	Yes	If implemented, P376 would require changes to elements of the Article 18 terms and conditions. P376 is consistent with EBGL objectives as it fosters competition by removing barriers to providing balancing services and enhances efficiency of balancing by increasing the variety of participants that can provide these services.
Centrica	No	None provided
Enel X	No	None provided
Grid Beyond	No response	None provided
IMServ Europe Ltd	No	None provided
RWE Supply & Trading GmbH	Yes	P376 better meets the EBGL objectives. In particular it will improve competition in the provision of balancing services (see EBGL Article 3 1 (a) "fostering effective competition, non-discrimination and transparency in balancing markets").
Salient Systems Limited	No	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	We agree with the workgroup that P376 is consistent with the EBGL objectives as it fosters effective competition by removing barriers to providing balancing services and enhances efficiency of balancing by increasing the variety of participants that can provide balancing services.
Siemens Managed Services	No response	None provided

Question 11: Do you agree with the P376 Workgroup’s unanimous view that P376 should not be progressed as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
7	0	3	0

Responses

Respondent	Response	Rationale
ADE	Yes	P376 will increase competition in the provision of balancing services, so has a material impact and should not be progressed as a Self-Governance Modification. In addition, it impacts EBGL Article 18 Terms and Conditions.
Centrica	Yes	None provided
Enel X	Yes	It’s all about opening up the Balancing Mechanism to competition from a wider range of resources, making it ineligible for the self-governance route.
Grid Beyond	No response	None provided
IMServ Europe Ltd	Yes	None provided
RWE Supply & Trading GmbH	Yes	As noted above P376 impacts on the EBGL terms and conditions for balancing
Salient Systems Limited	Yes	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	P376 impacts competition and as such does not qualify to be a Self-Governance Modification.
Siemens Managed Services	No response	None provided

Question 12: Will P376 impact your organisation?

Summary

High	Medium	Low	None / No comment	Other
1	5	1	2	1

Responses

Respondent	Response	Rationale
ADE	No response	As a trade association, the ADE will not be directly impacted by P376.
Centrica	Low	This could provide opportunities for our business to work with customers to bring forward demand-side flexibility in to the Balancing Mechanism. We do not believe there will be costs to implement this for our supply business.
Enel X	High	<p>It will allow us to access the Balancing Mechanism on behalf of a wide range of our existing customers and to offer this service to new customers.</p> <p>While we are already a Virtual Lead Party, it will require us to scale up our processes and systems for Balancing Mechanism participation and implement the new functionality required by P376 around nominating MSID/AMSID Pairs for baselining, monitoring data availability, managing Inactive status, calculating Submitted Expected Volumes, checking for and nominating Event Days, etc.</p> <p>However, all these processes are necessary if these customers are to participate, so we are quite willing to implement them.</p>
Grid Beyond	Medium	We are an aggregator and hence most of our assets are BTM assets and predicting load on MSID level is very difficult and in some cases impossible. This solution gives us a way to use our stable sites in BM.
IMServ Europe Ltd	Medium	<p>Given that the detailed requirements on the HHDA has not yet been captured, we can only speculate on impact.</p> <p>It is still unclear in regard to:</p> <ul style="list-style-type: none"> • The appointment process • How will these appointments be differentiated to other SVAA appointments such as P344 and P354 appointments • How SVAA will identify what historical data is required, will this be a new flow?

Respondent	Response	Rationale
		<ul style="list-style-type: none"> Whether (and I assume that it does) the historical data required to be sent pre dates the SVAA appointment, this doesn't feel right How estimated data is to be treated <p>This Mod will require:</p> <ul style="list-style-type: none"> System Changes Additional Processing with our HHDA system Training Documentation <p>Overall, we estimate the impact to be medium</p>
RWE Supply & Trading GmbH	None	We do not expect P376 to impact directly on our organisation. However, this comment is subject to sufficient safeguards in place under the proposed solution to protect the integrity of the settlement arrangements.
Salient Systems Limited	Medium	SSL activities will implicate review and refinement, with our metering agent clients, of existing HHDC core system extensions that address Supplier and VLP data management requirements at P376, P375.
ScottishPower	Unknown	There will be a cost associated to update HHDA System.
Sembcorp Energy UK	Medium	As a private wire network, participating in P376 would represent a step change in the way we operate. Assessment is currently ongoing regarding the impact and the changes that would need to be implemented.
Siemens Managed Services	Medium	<p>There are two requirements from an HHDA. The first requirement is to provide historic data. The second requirement is to provide ongoing consumption data.</p> <p>It is not clear in the proposal if the ongoing provision of consumption data will be managed identically to the current notification and provision process. If the plan is to use the D0354 notification and the D0385 consumption return, then the impact of the ongoing provision of consumption data is no impact provided the reporting of an MPAN will only be once. However, it is a medium impact should a similar process be adopted but with new flows specific for P376 changes.</p> <p>The requirement for the provision of historic data and the notification should historic data not be available is a new requirement. The process has not been detailed in the proposal, but it is assumed that on notification (via the D0354), the Effective From Date will be used as the first date for which historic values are required. The HHDA will then need to count back to ensure there is sufficient data</p>

Respondent	Response	Rationale
		<p>(5 days or greater). If not, then will need to notify that this is the case (or provide what it has and leave the SVAA to determine if there is sufficient data). Where there is sufficient data then the consumption data will be provided (presume in the D0385). However, provision of historic data is outside of the SVAA Calendar which normally dictates the dates for which data is provided by the HHDA. If this is the expected approach then it is considered a further medium impact change.</p>

Question 13: Will your organisation incur any costs to implement P376?

Summary

High	Medium	Low	None / No Comment	Other
1	1	2	3	3

Responses

Respondent	Response	Rationale
ADE	No response	As a trade association, the ADE will not incur costs
Centrica	minimal	We have not quantified this, but we believe it will be low or zero
Enel X	Substantial	We will incur costs in implementing the new systems and processes required, but we will do this willingly as it allows us to offer access to the Balancing Mechanism for customers for whom access would not otherwise be practicable.
Grid Beyond	unknown	Yes, to provide MSID level historical data, cannot predict the cost but we think it's minimum
IMServ Europe Ltd	Low to mid £10Ks	No difference between normal / outside normal release. If AMSIDs are being considered as included as in scope, HHDCs would be an impacted Party Agent, but their views are not being sought? Have we understood the alternatives correctly? The above costs are for HHDA activities only.
RWE Supply & Trading GmbH	None	We do not expect to incur any implementation costs associated with implementation of the P376 solution (except those related to BSC central systems).
Salient Systems Limited	No response	None provided
ScottishPower	Unknown	There will be a cost associated to update HHDA System.
Sembcorp Energy UK	Yes - unknown	Yes. Assessment is still ongoing.
Siemens Managed Services	unknown	It's difficult to provide a value of the impact without having the detail of the solution. If the proposal is to implement in an identical way to how the HHDA manages SVAA required data then the cost impact would be minor for the ongoing requirement of data, however if new data flows are introduced this will have a higher impact on costs.

Question 14: Will your organisation incur any ongoing costs in relation to P376?

Summary

High	Medium	Low	None / No Comment	Other
0	1	2	5	2

Responses

Respondent	Response	Rationale
ADE	No response	As a trade association, the ADE will not incur costs
Centrica	Minimal	We have not quantified this, but we believe it will be low or zero
Enel X	Medium	The Balancing Mechanism is a relatively complex market in which to participate, so there will be ongoing costs associated with our customers participating. We will willingly incur these costs, as it allows the customers to participate. Most of the costs will be intrinsic to market participation: they relate to P376 only in so far as the customers would not be participating if P376 were not implemented.
Grid Beyond	No response	None provided
IMServ Europe Ltd	Yes – low to medium	<p>These costs depend largely on the degree of automation we can implement and also the number of MSIDs being serviced by us.</p> <p>We would estimate any exception handling to be minimal although that has not been the case so far with P354, a similar process.</p> <p>Overall, taken in isolation ongoing costs should be low to modest.</p> <p>The above costs are for HHDA activities only.</p>
RWE Supply & Trading GmbH	None	We do not expect to incur any ongoing costs associated with implementation of the P376 solution (except those related to BSC central systems).
Salient Systems Limited	No response	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes - unknown	Yes. Assessment is still ongoing.

Respondent	Response	Rationale
Siemens Managed Services	unknown	<p>The ongoing provision of consumption data to the SVAA incurs two costs</p> <p>(1) the cost of data provision via the Gateway which is anticipated to be minor;</p> <p>(2) the cost of managing exceptions and issues as they arise.</p> <p>This may include costs of notification of the inability for the HHDA service to provide sufficient historic data dependant on how this is implemented. Without knowing the expected uptake of the P376 option coupled with the uncertainty of the process the HHDA is expected to follow, it is not possible to put an accurate estimate of cost at this stage.</p>

Question 15: How long (from the point of approval) would you need to implement P376?

Summary

>12 months	6-12 months	0-6 months	None/ No comment	Other
0	4	0	4	2

Responses

Respondent	Response	Rationale
ADE	No response	As a trade association, the ADE will not need to make changes for implementation of P376.
Centrica	No response	None provided
Enel X	Estimated 6 months	We believe that we could complete all the necessary implementation tasks within 6 months. However, we are keen to participate as soon as possible, so if the timeline were accelerated, we would find some way to ensure that we were not a limiting factor – e.g. by building simpler, less scalable systems as an interim measure to meet the initial go-live date.
Grid Beyond	No response	None provided
IMServ Europe Ltd	Estimated 6 months	No difference between scheduled and none schedule release The large number of unknown factors noted above does make this estimate a little speculative. Also, it is unlikely to be the only change required on our HHDA system in 2022. Therefore we have provided a cautious estimate.
RWE Supply & Trading GmbH	None	We do not envisage using the P376 solution for the provision of balancing services at this time.
Salient Systems Limited	Estimated 6 months	None provided
ScottishPower	Unknown	IA not yet received to be able to determine lead time required.
Sembcorp Energy UK	TBC	None provided
Siemens Managed Services	Estimated 6 months	Initial thoughts base on the documentation available is 6 months but this is dependent on the complexity of the proposed solution. This assumes a new process for the provision or otherwise of historic data and the utilisation of existing flows for the provision of ongoing consumption data.

Question 16: Do you agree with the Workgroup's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
8	1	1	0

Responses

Respondent	Response	Rationale
ADE	Yes	While the ADE would like to see the Modification implemented as soon as possible, a November 2022 implementation date is acceptable if it is not possible to implement the central system changes required more quickly.
Centrica	Yes	None provided
Enel X	Yes	We understand and agree with the reasoning that has led to these proposed dates. However, if there is any opportunity to bring implementation forward, we would welcome it, as it would allow a wide range of customers to access the market sooner, bringing benefits to them, to us, and to all end-users through greater competition.
Grid Beyond	No	At this point, there is no way for us to register most of our BTM assets in BM, hence it is vital for us to implement this modification and P375 as soon as possible so (1) we can register a portion of portfolio in BM (2) raise another modification to allow applying baseline method to operational metering data level
IMServ Europe Ltd	Yes	None provided
RWE Supply & Trading GmbH	Yes	The proposed implementation date seems appropriate given the complexity of the proposed solution.
Salient Systems Limited	Yes	An earlier Implementation of February 2022 favoured.
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	We agree with the recommended implementation date. Ideally, P375 and P376 should be implemented at the same time to ensure that parties with different needs have access to the two solutions and can have equal opportunities to access the BM and provide balancing services.

Respondent	Response	Rationale
Siemens Managed Services	Yes	The proposed implementation dates provide enough notice to make the required changes. However, it should be recognised that an implementation as late as February 2023 with potential changes to HHDA systems when HHDA will be transitioned out of MHHS is not an ideal situation.

Question 17: Do you agree with the Workgroup's initial unanimous view that P376 does better facilitate Applicable BSC Objectives (b), (c) and (e) than the current baseline?

Summary

Yes	No	Neutral/No Comment	Other
8	0	2	0

Responses

Respondent	Response	Rationale
ADE	Yes	P376 better facilitates Objective (b) by removing a barrier to entry for VLPs, thereby increasing the options available to balance the system and allowing more efficient and economic balancing; it better facilitates Objective (c) by encouraging more participation in the market, thereby increasing competition; and it better facilitates Objective (e) by removing a barrier to entry for additional customers to participate in RR.
Centrica	Yes	None provided
Enel X	Yes	We agree with the workgroup's reasoning. Objectives (b) and (c) are particularly important: wider participation leads to greater competition and hence lower overall system costs.
Grid Beyond	Yes	None provided
IMServ Europe Ltd	Yes	None provided
RWE Supply & Trading GmbH	Yes	We support the views of the workgroup with respect to the Applicable Objectives.
Salient Systems Limited	Yes	None provided
ScottishPower	No response	None provided
Sembcorp Energy UK	Yes	P376 better facilitates Objective (b) by removing a barrier to entry for VLPs, thereby increasing the options available to balance the system and allowing more efficient and economic balancing; it better facilitates Objective (c) by encouraging more participation in the market, thereby increasing competition; and it better facilitates Objective (e) by removing a barrier to entry for additional customers to participate in RR.
Siemens Managed Services	No response	None provided

Question 18: Do you have any other comments on P376?

Responses

Respondent	Response
ADE	The ADE would like to highlight the Workgroup's unanimous view that P376 better facilitates the Applicable BSC Objectives than the current baseline. This strong support, from parties across the industry, is welcome and worthy of recognition.
Enel X	While this may seem a complicated modification, the essence is simple: it is about settling demand-side participation in the Balancing Mechanism in the same way as every market that has been successful in incorporating large-scale demand-side participation.
Grid Beyond	As it is obvious from public data, most of VLPs have not taken advantage of their access to BM, due to the challenge with BTM assets, we believe it is vital to implement metering and PN on asset level data as soon as possible.
IMServ Europe Ltd	<p>As there are so many changes currently under discussion that may impact HHDA's, could consideration be given to try to batch or group them together in some way? HHDA is a very critical piece of machinery in the settlement production line – changes should be kept to a minimum.</p> <p>Also, we would be very keen to consider participation in industry testing of P376, P375 and P379 and would welcome early discussions on approach, scope, test data, success criteria and so on. We suggest we previously gave valuable insight as a consequence of being involved in P344 testing, for example.</p>
Siemens Managed Services	<p>As explained in the response to previous questions, the impact on the HHDA does not appear to be detailed within the suggested changes made to the BSC. This includes BSC subsidiary documentation (e.g. there is no redlined BSCP503).</p> <p>The primary concern is the process under which there is an obligation on HHDA's to provide historic data and to notify the SVAA where this is not possible. A further concern is the process of the provision of MSID consumption data which we assume will be utilising existing processes but which does not appear to be explicitly stated.</p> <p>Without detailed information on this it has been difficult to be more precise on the impact P376 will have on the HHDA.</p>