



# ODFM Provider Webinar

April 2021

# Recording

[https://players.brightcove.net/867903724001/default\\_default/index.html?videoId=6246007166001](https://players.brightcove.net/867903724001/default_default/index.html?videoId=6246007166001)



# Agenda

1. ODFM overview
2. Key features of ODFM
3. Key changes for 2021
4. Who can participate
5. Registration
6. Price & availability declarations
7. Settlement & cashout
8. Our requirement
9. Assessment & dispatch
10. Use of ODFM alongside other actions
11. Market Information
12. Q&A

# ODFM 2021 - Overview

**Background** - launched for summer 2020 as a temporary service to manage the expected low demand periods caused by COVID-19 pandemic.

- Take-up of over 4.7GW of new flexibility

**Requirement** - central case suggests no requirement, however, our forecasts demonstrate **credible worst-case scenarios** where lower demand periods for longer durations could require additional downwards flexibility.

We therefore feel it is prudent to re-establish ODFM for 2021, for instruction only in the event that such challenging conditions occur, and to mitigate the need for emergency instructions.

**Insurance Policy** - ODFM will not be used in place of existing commercial services. It is in place only to manage significant low demand events where all other actions have been considered.

Our expectation is that we will not need to instruct this service but that it is prudent to have it available.

**Minimal Service Changes** – As we do not expect to have a requirement for the service, we have proposed to make minimal service improvements to unless they are necessary, economic, and efficient to do so, enabling our teams to focus on priority work that offers the most value to the consumer.

**Enduring Solution** - ODFM is not considered to be an enduring solution to downward flexibility management. The enduring solution will be delivered through our Reserve Reform programme. The Balancing Mechanism also provides a continuous route to an enduring downward flexibility service.

# Key Features

- **Optional Service** - Volumes can be called for day ahead dispatch from 23:00 –23:00
- **Availability Declarations** – weekly and daily availability / price submissions
- **Instructions** - All instructions will be sent via email and sent no later than **18:00** for delivery between 23:00 that day, to 23:00 the following day.
- **Delivery** - Assets must be able to sustain delivery for a minimum of a 3-hour continuous period
- **Dispatch** - The service is an “all or nothing” service, whereby 100% of the volume offered would either be accepted or rejected.
- **Settlement** - Utilisation £/MW/h service fee. Paid on capacity and Pay-as-Bid mechanism.
- **Time Limited Service** - across the summer period, expires 31 Oct 2021

# Key Changes from 2020

- **Availability/price declarations** – 2020 declarations could only be made weekly. 2021 availability declarations are still weekly but there is now the opportunity to update price at day ahead
- **Cashout** – We are implementing a process to include ODFM in cashout this summer and hope to have this in place in time for the service go-live following the C16/BSAD methodology consultation
- **Instruction time** – 2020 instruction at 17:00. 2021 instruction at 18:00 - due to EU Exit and GB no longer being part of day ahead coupling, day ahead interconnector flows are now available at a later time which impacts the time a requirement for ODFM is known and subsequently the instruction time

# Who can participate?

## Eligible Assets

Deliver the service for a minimum of 3 hours

Operate the service via email utilisation from NGENSO

Operate the service on non-working days and bank holidays

Have a total unit capacity of 1MW or more

Delivery by export reduction or demand turn up.

Generation assets must reduce to 0MW export

Demand assets must sustain consistent increased demand

Be capable of following pre-agreed min/max ramp up/down rates

Comply with all other service requirements and obligations set out in supporting documentation

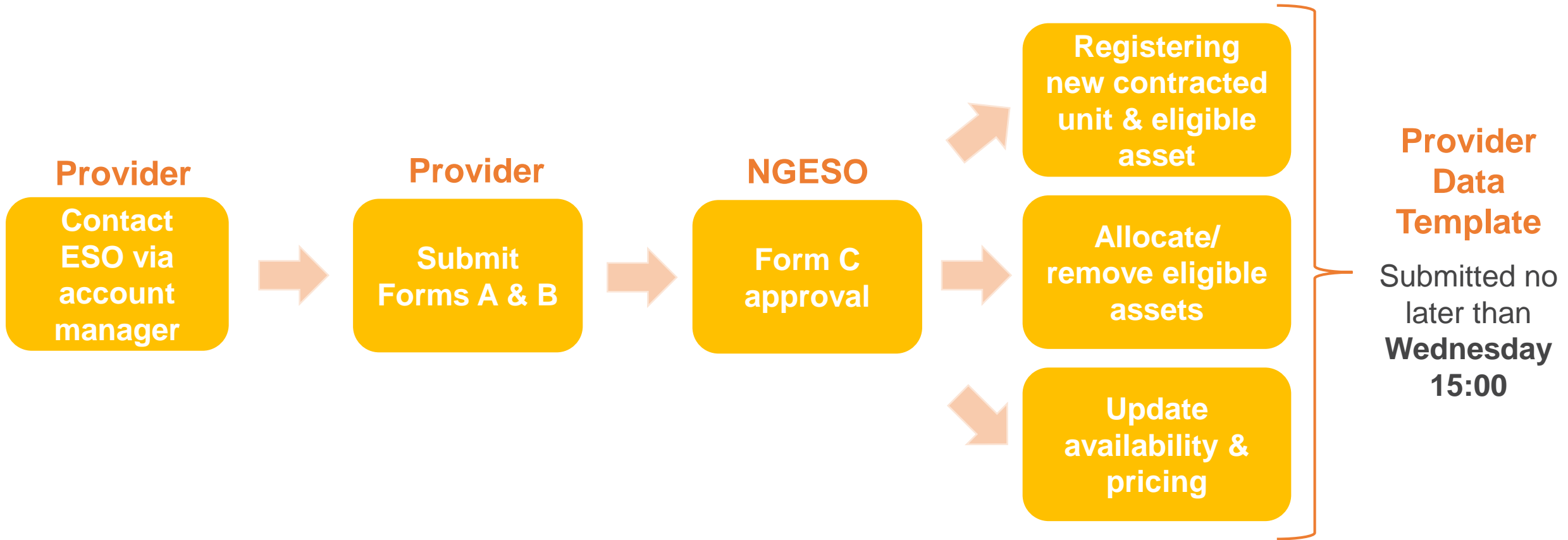
## Non-eligible Assets

NOT be separately registered as BM Units or otherwise active in the Balancing Mechanism (able to take BOAs)

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

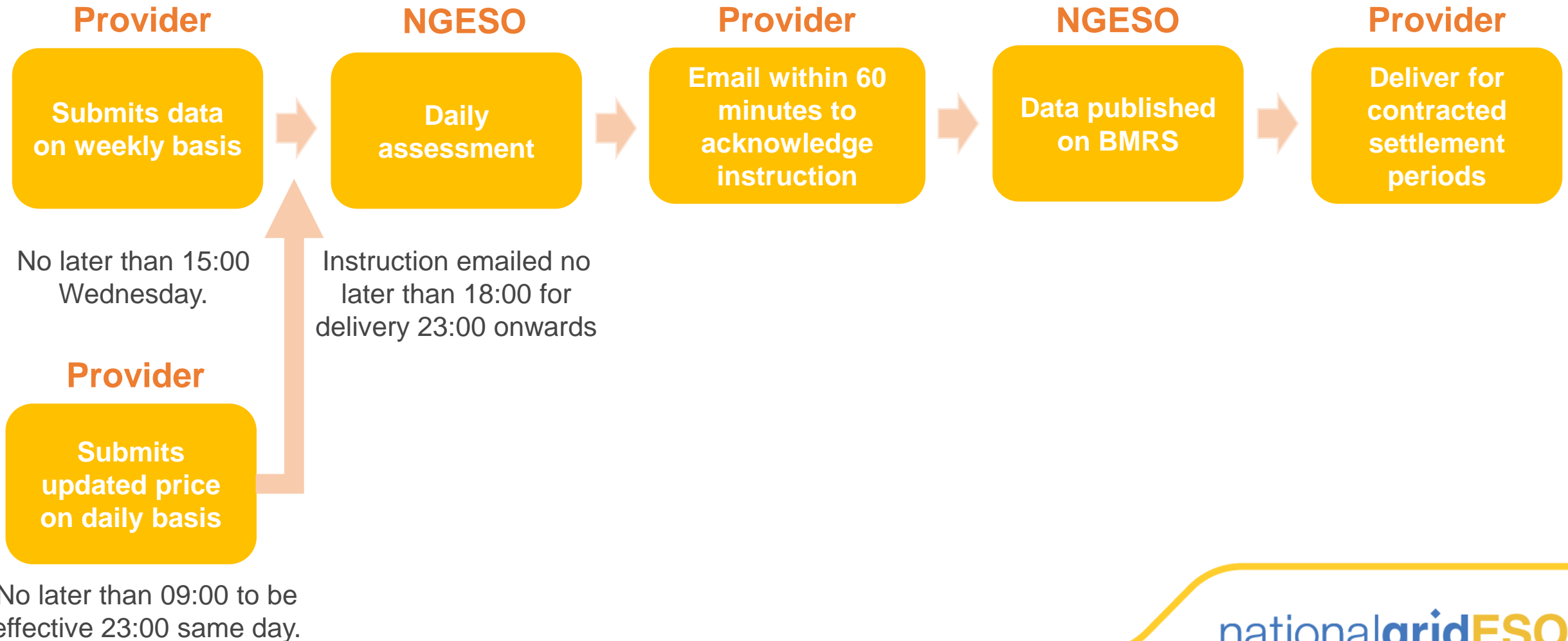
# Registration process





# Weekly and daily submissions

If no information has changed, there is no requirement to submit on a weekly or daily basis.



# April on-boarding process

- **Existing providers**

- If no changes, 2020 Forms A, B & C will roll-over to 2021 service provision
- Email [Commercial.Operation@nationalgrideso.com](mailto:Commercial.Operation@nationalgrideso.com) saying you will be participating in ODFM 2021 and you were a 2020 provider
- We will send you your last 2020 data submission
- Make any changes to availability/pricing/allocated assets
- Re-send to [Commercial.Operation@nationalgrideso.com](mailto:Commercial.Operation@nationalgrideso.com)

- **New providers**

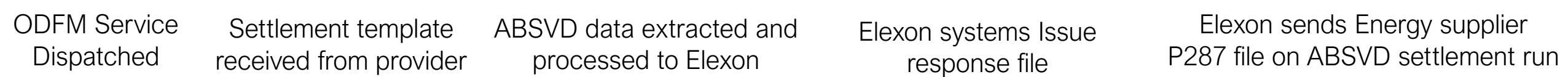
- Follow the usual process
- Sign and submit Forms A and B from 12<sup>th</sup> April to [Commercial.Operation@nationalgrideso.com](mailto:Commercial.Operation@nationalgrideso.com)
- You will receive Form C
- Submit Provider Data Template to [Commercial.Operation@nationalgrideso.com](mailto:Commercial.Operation@nationalgrideso.com)
- If needed, engage with the Settlement team

# Settlement & Cashout

- Utilisation-based service fee (£/MW/h).
  - Settlement data required as soon as possible after utilisation, no later than 5 business days
  - All new parties must submit a new vendor setup form which can be found on our settlements webpage
  - Performance monitoring of individual units will determine liability for payment
  - Service will apply ABSVD to the relevant registered MPAN(s)
  - The ODFM data will be sent to Elexon alongside trade data. This will ensure inclusion in any cash-out calculations
    - The forecast ODFM data for each unit, delivered per SP will be sent to Elexon
    - This data cannot be submitted in real time for each SP therefore will be submitted post event, for the previous day
- This will ensure inclusion in any cash-out calculations

# ABSVD

- ABSVD applies to all participating units
- Accurate ABSVD data to be supplied in the provider templates for timely processing
- Forecast Metering alongside actual metering essential data that will determine the volumes processed for ABSVD



# Requirement

- **ODFM** enables access and control of flexibility that is not currently accessible to ESO through the BM and other market mechanisms.
- ODFM is typically required in periods of low demand, such as overnight.
- We anticipate the requirement will be for **3-6 hours** during overnight periods at the **weekends or on public holidays**.
- Under certain weather and COVID-19 sensitivities, we forecast some use of the ODFM service this summer. However, under our central case we are not currently forecasting any requirement.



# Assessment & Dispatch

All units are assessed in accordance with the following principles:

- Units restricted due to network constraints are rejected.
- Reject all bids which cannot deliver in the settlement periods for requirement.
- Assess the ramping rates and any additional costs incurred
- Bids are ranked according to their effective price (£/MW/hr / load factor).
- Accept bids in effective price order until the requirement is met.
- All other bids above the requirement are rejected.

# ODFM is an additional tool for NGENSO

Everyday Actions	Order	Comments
Bid actions on all other flexibility in the BM, including super-SEL	#1 based on Cost	Forecast at Day Ahead volumes, action taken in real time
Selling power to the continent to create exports on the interconnectors	#1 based on Cost	Forecast at Day Ahead, action taken at Day Ahead by National Grid Traders
Creating demand through pumping demand at pump storage sites	#1 based on Cost	Managed within the control timescales action taken within day

Enhanced Actions (if everyday actions are insufficient)	Order	Comments
Usage of ODFM service	#2 based on Cost	Enacted at day ahead based on forecasts of other actions.
Issuing an NRAPM and flag as alert status on the ENTSO-E transparency platform.	#3	Issue if, the above actions still leave a requirement. Managed within the control timescales action taken within day
Taking additional actions obtained through NRAPM	#4	Managed in real time

Emergency Actions	Order	Comments
Emergency Instruction to Transmission connected generation	#5 can only be done following #2	The ESO will not Emergency Instruct a BM unit that as been instructed on
Emergency Instruction to DNO to disconnect DER	#5	As per GC0143, DNO decides which DER to disconnect

A scenic landscape featuring a valley with a glowing, multi-colored path that curves through the scene. The path is composed of several parallel lines in shades of blue, green, and yellow, creating a sense of movement and energy. In the background, there are dark, rugged mountains under a sky filled with large, white clouds. The sun is visible, casting a warm, golden light across the scene. The overall atmosphere is one of natural beauty and technological innovation.

Thank you

Contact us at:  
[commercial.operation@nationalgrideso.com](mailto:commercial.operation@nationalgrideso.com)