
ADE Response | Ofgem Consultation on the Inflexible Offers Licence Condition | 13 March 2023

Context

The ADE welcomes the opportunity to respond to Ofgem's Consultation on the Inflexible Offers Licence Condition.

The ADE is the UK's leading decentralised energy advocate, focused on creating a more cost effective, low-carbon and user-led energy system. The ADE has more than 160 members active across a range of technologies, including both the providers and the users of energy equipment and services. Our members have particular expertise in demand side energy services including demand response and storage, combined heat and power, heat networks and energy efficiency.

Overall Evaluation

The ADE is supportive of Ofgem's revised proposal and appreciates the revisions made given the CfI feedback. We note that this change has raised important long-term questions about the structure of the Balancing Mechanism and how it relates to the intraday market. We consider that these should be considered more fully as part of the Review of Electricity Market Arrangements and Ofgem's work on the future of flexibility.

Consultation Questions

1) Do you agree with our proposal to remove the 'within the operational day' requirement for submission of 0 MW PNs? Please provide reasons for your answer.

We agree with the proposal.

2) Do you agree with our proposal to limit the scope of the condition to generators with an MZT greater than 60 mins? Please provide reasons for your answer.

We agree with the proposal. By adjusting the MZT, the unintended consequence of incorporating market participants whose normal operating procedure involve 0MW PNs but who can ramp quickly is mitigated. Similarly, it supports broader system aims that greater use is made of market participants that can respond rapidly to operational requirements.

3) Is the proposed licence condition drafting in Appendix 1 sufficiently clear? Are there any drafting edits or additions that you would encourage us to consider?

The ADE does not have a view on this question.

4) Do you agree with our approach to considering excessive benefits, as set out in the draft guidance? Are there any other factors we need to consider for inclusion in the supporting guidance?

The ADE does not have a view on this question.

For further information please contact:

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