



**'Demand Side Balancing reserve and Supplemental Balancing Reserve'
Final Proposals Consultation**

1	Do you consider that the proposed amendments to the DSBR product sufficiently address the issues raised in the consultation?
<p>Scottish Water believes the DSBR product discriminates it from STOR and TRIAD as a consequence of the commercial and operational arrangements. Scottish Water would need further information on the following:</p> <ul style="list-style-type: none"> Despatch notice - ideally a 'traffic light' system would give early notice that participation was imminent. That could be a general Triad warning system and /or notice of the organisational ranking during a prolonged participation period. If the warning system could be ranked based on the value of the offers from participants, then despatches from the warning system could be based on their position and likeliness the participant could dispatch. This would mean the system of warning people to participate is more resilient. <p>Ideally at least one days notice would be required for despatch.</p>	
2	Do you support us taking forward the DSBR product with these amendments?
Scottish Water supports the DSBR product and amendments.	
3	Do you consider that the proposed amendments to the SBR product sufficiently address the issues raised in the consultation? Do you consider that the additionality provisions discussed in Section 5 are sufficiently robust, or whether these should be reinforced?
Scottish Water will not be participating in SBR.	
4	Do you agree that procuring large volumes of extra STOR would be less economic and cause more distortion to the energy and balancing markets compared to SBR?
Scottish Water understands the rationale of distortion to STOR market.	
5	Do you support us taking forward the SBR product? If not, what would be your recommended course of action if margin outlook deteriorates over the next 12 months?
Scottish Water agrees with taking forward the SBR product.	
6	Do you agree that our cost estimates, and the underlying assumptions, are reasonable?
Scottish Water believes start up costs could be increased for new entrants (for example STOR).	
7	Do you agree that it would be inappropriate to include these costs in the Balancing Services Incentive Scheme until such time prices and volumes for these products are better understood?
Scottish Water agrees with this.	
8	Do you agree with the proposed approach to the recovery incremental internal costs we would incur if we were to procure these additional balancing tools?
Scottish Water agrees with this.	