
Issue 92 Workgroup 2 Summary

Summary

1. The Chair welcomed attendees and presented the meeting objectives to the Issue Group Members:
 - Recap the discussion had at the first meeting and discuss options for progression of Issue 92, raising other options members may have.
 - Discuss the Request For Information (RFI) consultation:
 - Agree the purpose of the consultation;
 - Review the questions to be included, adding any additional questions the Issue Group deem appropriate; and
 - Setting out and agreeing the proposed timeline for the RFI consultation.
2. The Issue Group noted that availability payments, Net Imbalance Volume (NIV) tagging, and invisibility of distributed generation cannot be excluded from the scope as they have material impacts on Imbalance pricing.
3. It was noted that Distribution System Operators (DSOs) do not send data to National Grid, meaning National Grid's margin calculations are not completely accurate. It was suggested that the Issue Group could recommend that this problem be raised as a separate change with National Grid.
4. The Issue Group acknowledged that improving margin signal calculations would be very beneficial. However, the group highlighted that in order for the calculations to be useful, they should be integrated into one signal, and there should be an additional consultation on where the signal is published.
5. The Issue Group pointed out that the Issue recommendation must deliver a useful price signal that has a consistent impact on cashout prices at the correct time. A useful price signal was defined as one which encourages activity that avoids demand control actions, comes ahead of tight margins, and is consistently applied.
6. The Issue Group had a number of comments on the RFI questions:
 - Questions one and three should both be split into two questions, separately asking about benefits and drawbacks;
 - Question five should be reworded to include the additional information published alongside the Short Term Operating Reserve (STOR) auctions, which will begin in April 2021; and
 - A final question will be added asking for any other issues respondents may wish to raise.
7. The Issue Group agreed that the RFI consultation should be issued on 14 April 2021, with responses due by 12 May 2021. A follow up Issue Group meeting will be held w/c 17 May 2021.

Next Steps

8. Elexon and National Grid will draft the RFI consultation in line with the Issue Group's comments, and issue the RFI on 14 April 2021.
9. Following the consultation, a consolidated response document will be issued to the Issue Group.
10. A further Issue Group meeting will be arranged for w/c 17 May 2021 to discuss the consultation responses.