

Public

P371 'Inclusion of non-BM Fast Reserve actions into the Imbalance Price calculation'

Workgroup 3

5 June 2019

Health & Safety

In case of an emergency

An alarm will sound to alert you. The alarm is tested for fifteen seconds every Wednesday at 9.20am

Evacuating 350 Euston Road

- If you discover a fire, operate one of the fire alarms next to the four emergency exits.
- Please do not tackle a fire yourself.
- If you hear the alarm, please leave the building immediately.
- Evacuate by the nearest signposted fire exit and walk to the assembly point.
- Please remain with a member of ELEXON staff and await further instructions from a Fire Warden.
- For visitors unable to use stairs, a Fire Warden will guide you to a refuge point and let the fire brigade know where you are.

When evacuating please remember

- Do not use the lifts.
- Do not re-enter the building until the all clear has been given by the Fire Warden or ground floor security.

Our team on reception is here to help you, if you have any questions, please do ask them.



Agenda

- Welcome and housekeeping
- Consideration of Impact Assessment responses
- Deciding the preferred solution
- Any other considerations
- Next steps

Objectives

- Consider the Impact Assessment responses and determine the preferred solution to progress
- Determine length of Assessment Procedure Consultation
- Provide initial views against the Applicable BSC Objectives
- Review Terms of Reference



Impact Assessment highlights

BSC Impacts

Option 1

- No Change from status quo

Option 2

- Approximately £400,000
- Estimated 8 months development time

Impacted systems:

- SAA
 - Data loading, calculation and reporting
- BMRS
 - Data loading, calculation reports

Estimates based on implementation of P371 only and assumption that development will not impact on TERRE delivery

NETSO Impacts

Option 1

- Approximately £500,000
- Estimated 16 weeks development time

Impacted systems:

- NED
- IP
- ASDP (PAS)
- CAB

Option 2

- Approximately £1,000,000
- Estimated 20 Weeks development time

Impacted systems:

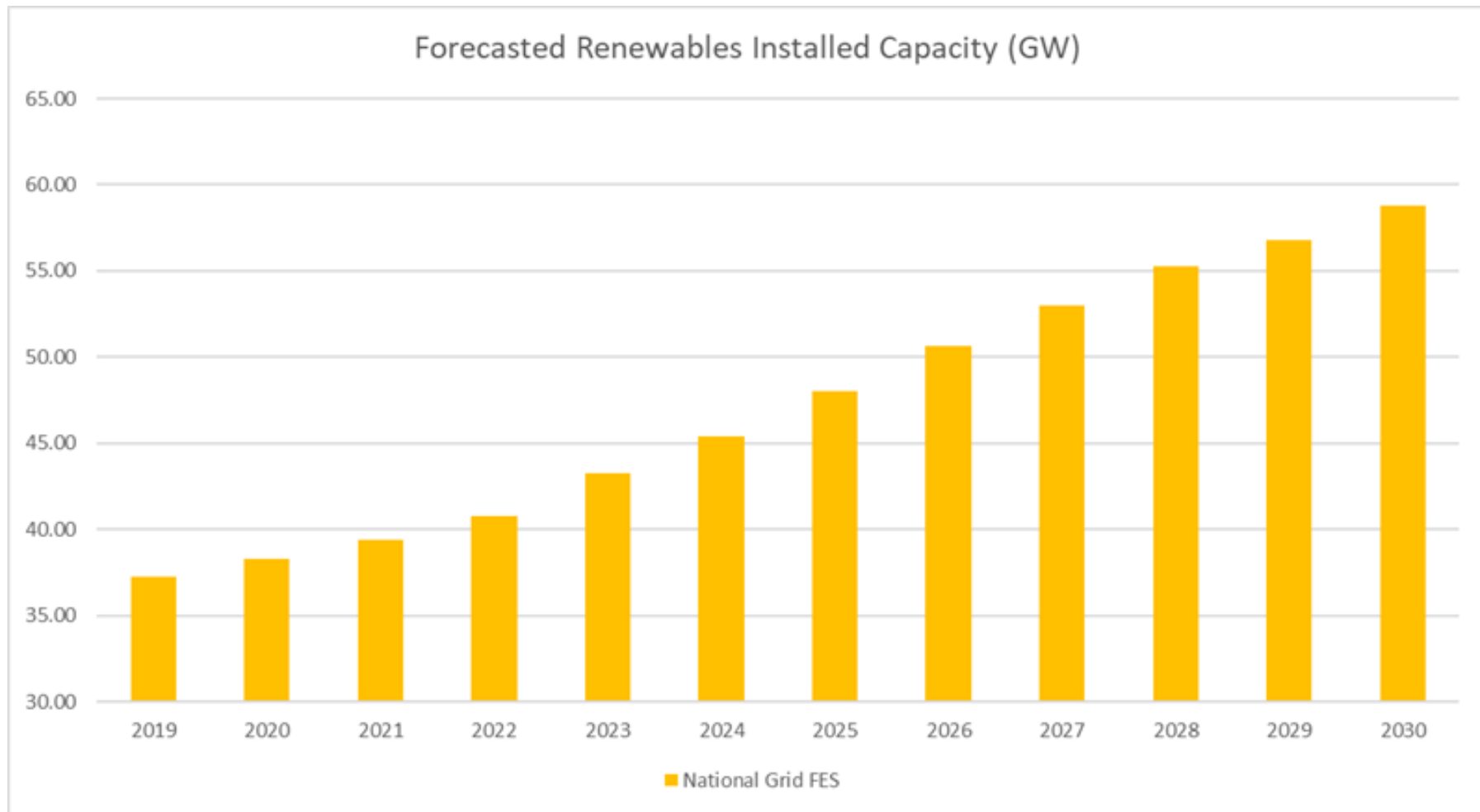
- BM
- NED
- IP
- ASDP (PAS)
- ASB
- CAB

Any development work initiated prior to delivery of TERRE will pose risk to TERRE delivery

Additional option 3

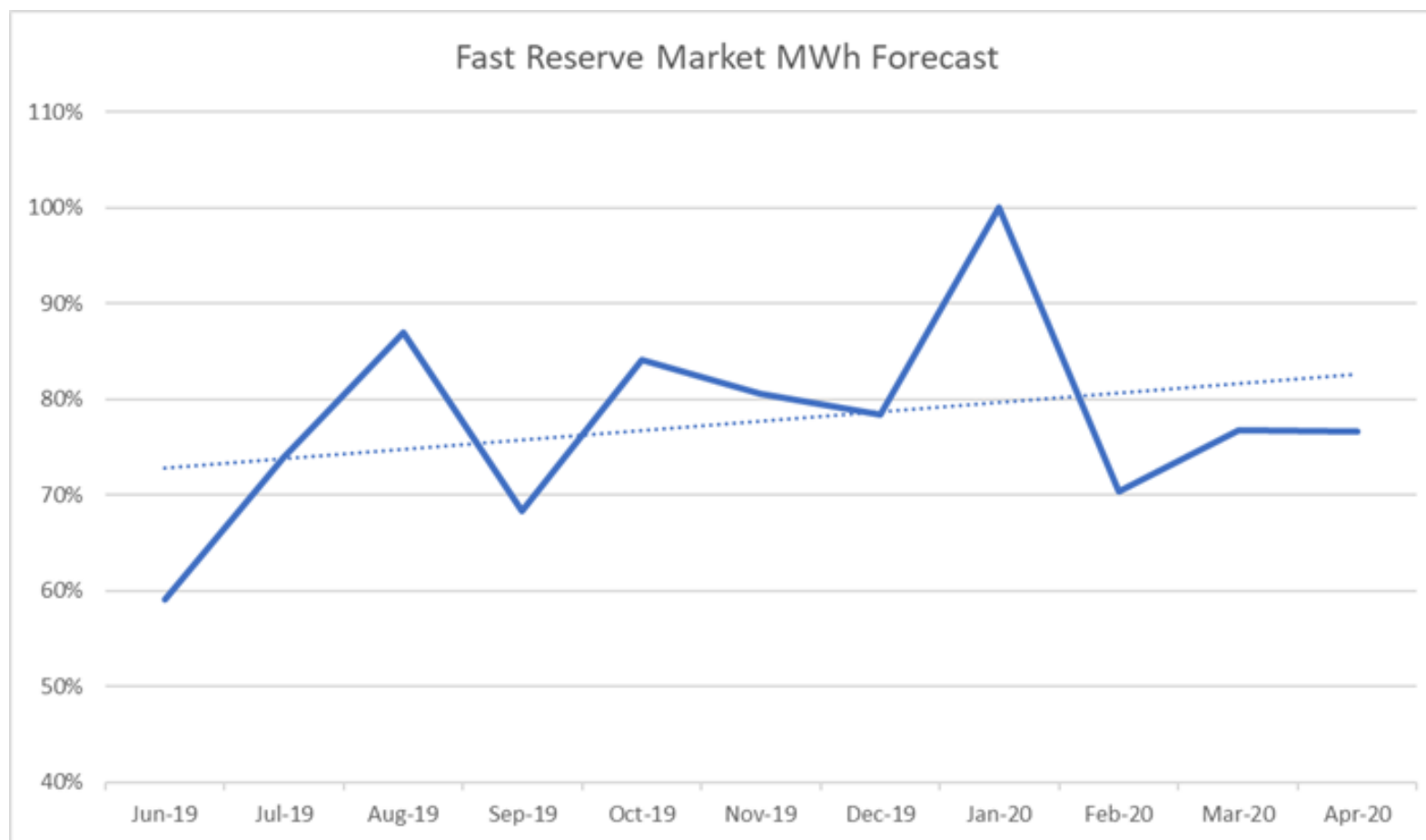
- Non-BM actions (both start and stop) to be reported in real time instead of every 30 min to improve real time visibility of NGENSO operations.
- This option was discussed given the lack of functionality in Option 1 to distinguish between reserves services other than STOR and Fast reserve. Option 2 does allow for this functionality but still lacks real time operational visibility because fast reserve actions are reported every 30 minutes.
- May require significant reporting changes to increase the frequency of the data sent to ELEXON. Therefore, it would take longer to implement it. However, it improves visibility of balancing actions to the market participants in real time.
- Option 3 Not included in BRs for BSC Service provider so will need to understand what is being proposed and potentially issue another Impact Assessment
 - NGENSO are planning to raise a future modification in which Option 3 solution will be included
 - This solution goes further than addressing the P371 defect so current analysis may not be sufficient

Expected scale of issue (1 of 2)



NG FES – RES installed capacity increasing: more frequency drops and volatility so more FR needed.

Expected scale of issue (2 of 2)



The expectation is based on an average of the MWh instructed over the last four years
100% is the highest peak (which we forecast in Jan).



Deciding the preferred response

Applicable BSC Objectives

- a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence
- b) The efficient, economic and co-ordinated operation of the National Electricity Transmission System
- c) Promoting effective competition in the generation and supply of electricity and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity
- d) Promoting efficiency in the implementation of the balancing and settlement arrangements
- e) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency [for the Co-operation of Energy Regulators]
- f) Implementing and administering the arrangements for the operation of contracts for difference and arrangements that facilitate the operation of a capacity market pursuant to EMR legislation
- g) Compliance with the Transmission Losses Principle



**Any other
considerations**

EB GL compliance

- ESO must use standard products to fulfil as much of its need as possible. If it has any other needs which cannot be fulfilled by standard products then it can use specific products to address those needs, provided the regulator agrees.
- There are arguments both ways. Unlikely that agreement on what the price should look like will be quick, and there will be knock on impacts to other parts of the calculation such as Reserve Scarcity Price.

Terms of Reference (1 of 2)

- a) Has the compliance with current Code obligations and EU Regulation been considered?
- b) Which Balancing Actions should be classed as System Balancing Actions?
- c) Have the impacts and changes to System Prices (Energy Imbalance Price) Parameters been investigated?
- d) What checks can be done to ensure that relevant actions have been correctly flagged?
- e) How will the Balancing Services affected by this Modification change as part of National Grid's SNAPS work?
- f) Is it possible to future proof any solution for P371 against possible changes in name of existing Balancing Services as well as the potential creation of new Balancing Services and their associated Actions?
- g) What changes are needed to BSC documents, systems and processes to support P371 and what are the related costs and lead times?

Terms of Reference (2 of 2)

- h) Are there any Alternative Modifications?
- i) Should P371 be progressed as a Self-Governance Modification?
- j) Does P371 better facilitate the Applicable BSC Objectives than the current baseline?

Implementation approach

- Proposer requests an Implementation Date of 1 April 2020 to align with implementation of P354
 - Impact Assessments indicate this is possible for option 1
 - NGESO will confirm this is the case
- Changes to Code Subsidiary Documents are not required for option 1. If option 2 is progressed, we propose these are drafted as part of the implementation.

Self-Governance

- We do not believe that P371 is Self Governance
 - Will alter the calculation of the Imbalance Price and thus impact on competition
- Does the Workgroup believe there are any alternative Modifications which better facilitate the Applicable BSC Objectives?



Next steps

Progression routes

■ If 10WD Assessment Consultation

Event	Date
Assessment Consultation	10 – 21 June 2019
Final Workgroup	w/c 24 June 2019
Assessment Report presented to Panel	11 July 2019
Report Phase consultation	15 – 26 July 2019
Draft Modification Report to Panel	8 August 2019

■ If 15WD Assessment Consultation

Event	Date
Assessment Consultation	10 – 28 June 2019
Final Workgroup	w/c 15 July 2019
Assessment Report presented to Panel	8 August 2019
Report Phase consultation	12 – 28 August 2019
Draft Modification Report to Panel	12 September 2019

*Under EB GL TSO may be required to consult on Modification for no less than 1 month

