

Public

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

Workgroup 4

16 July 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

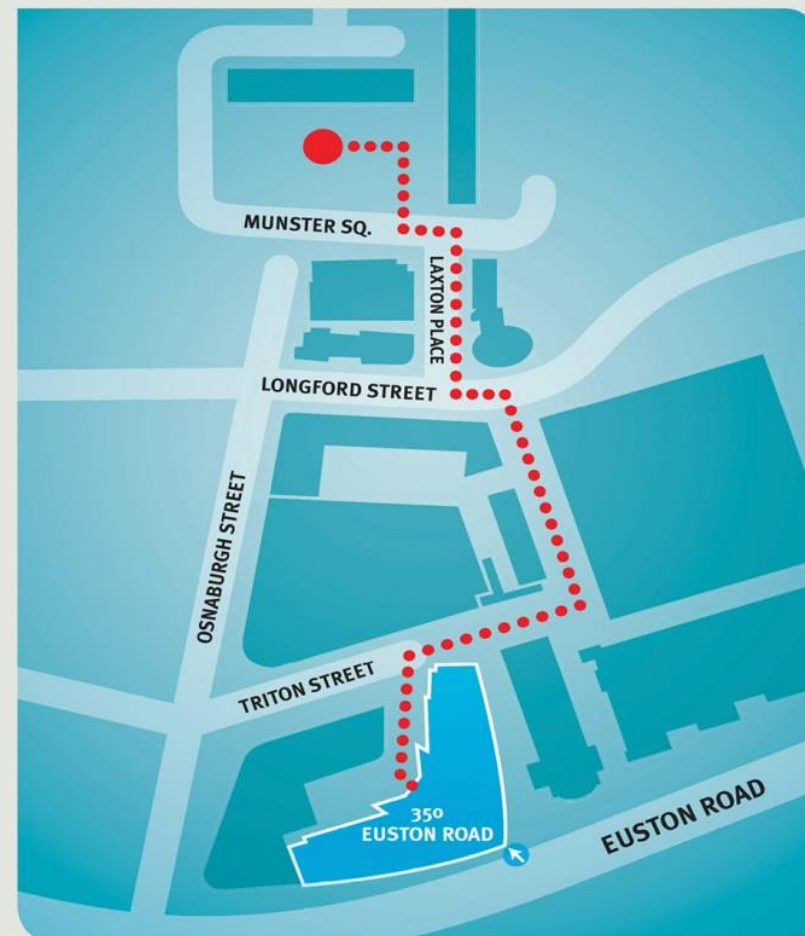
Evacuating 350 Euston Road

- 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 and Objectives

Agenda

- Welcome and housekeeping
- Consideration of Consultation responses
- Voting against the Applicable BSC Objectives
- Next steps

Objectives

- Finalise solution and vote against objectives



Consultation responses

Consultation responses (1 of 3)

Question	Yes	No	Neutral	Comments
Legal text	7	0	1	Remove the indefinite article from the definition
No Alternative Solutions	8	0	0	Noted that other solution considered did not outweigh additional cost and effort
Implementation	7	1	0	Respondents agreed should be implemented as soon as possible. NETSO to confirm TERRE consequences

Implementation

- Respondents agreed that the Modification should be implemented as soon as possible to maximise the benefit
- NETSO is reassessing the impact on its systems and required lead times in context with the requested delay to TERRE implementation

Consultation responses (2 of 3)

Question	Yes	No	Neutral	Comments
Not Self-Governance	8	0	0	
Continued use of non BM Balancing	3	0	5	Mix of responses. NETSO strategy is yet to be defined, but will likely include specific products
Objectives	8	0	0	Will promote competition and ensure efficient operation of Transmission System. One noted that support is contingent on reporting of actions being transparent.

Continued use of non-BM

- Respondents noted uncertainty if future of non-BM services.
- NETSO will use standard products where possible (TERRE/MARI), and specific products to meet other needs. Wider Access work, may change 'route to market' definitions, but distribution connected assets will still play a role.

Consultation responses (3 of 3)

Question	Yes	No	Neutral	Comments
Objectives	8	0	0	Will promote competition and ensure efficient operation of Transmission System. One noted that support is contingent on reporting of actions being transparent.

Objectives

- Makes cash out price and NIV more reflective of market conditions. This promotes efficient, economic operation of Transmission System and supports competition.
- Objectives are better facilitated, contingent on actions being reported in a transparent manner.
- Value of Modification is that it compels information to be put into the BSAD.
- Imbalance Price reflects the costs of all energy actions, the fair and harmonised treatment of all services, greater transparency and NETSO's compliance with the BSAD obligation.



Voting

ELEXON

Initial Voting

Member	a)	b)	c)	d)	e)	f)	g)
Alessandra De Zottis	+	+	+	+	+		
Andrew Russell		+	+	+			
Andy Colley		+	+				
Bill Reed			+				
Grahame Neale		+	+	+			
Graz Macdonald		+	+				
Josh Logan		+	+	+			
Lisa Waters	+	+	+				

Unanimously agreed:

- Not Self Governance
- Legal Text delivers intent of Modification
- Implementation date of 25 June 2020
- No Alternative Solutions

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

Terms of Reference

Has the compliance with current Code obligations and EU Regulation been considered?	As a specific product energy actions should be included
Which Balancing Actions should be classed as System Balancing Actions?	Fast Reserve, even though used for system now and then should be included and energy option fees should be addressed but will be looked at via separate issue
Have the impacts and changes to System Prices (Energy Imbalance Price) Parameters been investigated?	This was presented to the Workgroup in its second meeting
What checks can be done to ensure that relevant actions have been correctly flagged?	NETSO have the SMAF methodology to deal with this, so out of scope of mod
How will the Balancing Services affected by this Modification change as part of National Grid's SNAPS work?	Fast reserve has a future, it will be classed as specific product. The proposed change does not opt for the complete future proof but addresses the defect until something more fundamental comes along, as the future of the product is not yet known
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?	



Next steps

Progression

Event	Date
Final Workgroup	16 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

