

P375/6 WORKGROUP 1 SUMMARY AND ACTIONS

Discussion Summary

The Proposers gave an overview of the defect and proposed solution. A Workgroup member questioned how applicable to small sites the P375 solution would be. It may not be cost effective or feasible to install Operational Metering (of a Settlement standard) at all sites, therefore the P376 Proposer commented that they believed the P376 solution would be more applicable to smaller sites than P375. The P375 Proposer responded that they believed the metering standards should be proportionate so didn't think smaller sites should be excluded from the solution. The Proposer believed that referencing standards rather than being explicit would help futureproof any solution.

A Workgroup member commented that Physical Notifications (PNs) were used for boundary point metering under the Grid Code noting that assets in a Secondary Balancing Mechanism Unit (SBMU) would already be registered in a Suppliers Primary BMU so would already be captured in a PN. They also noted that PNs are used by National Grid Electricity System Operator (NGESO) for dispatch. The member questioned whether an asset would still be dispatched by NGESO if the FPN did not match the actual operations. The NGESO representative responded that once an FPN had been submitted, it was expected that this would be reflective of operations.

A Workgroup member commented that historically many complex sites have been restricted from providing balancing services to NGESO on the basis that they are unable to accurately forecast the change to the volume at the Boundary Point. A member commented that it could be seen as unfair for end users to pay for balancing actions that have no impact on the Total System, as there was no clear benefit to the customer. It was noted that there may be occasions where the Total System will appear to not be affected by an action when looking only at changes in flows at the Boundary Meter, as the net effect of actions behind the Meter may not affect the Boundary Meter, but if the action had not been undertaken then the Total System would have been negatively impacted. This is important to consider when discussing assurance and independence of assets. Baselineing may also aid situations like this as it forecasts what the effect on the System would have been without the action. The P376 Proposer agreed that there would need to be assurance that any solution was not being misused to gain an unfair advantage, and noted that any such tests would need to be robust. The Workgroup also noted that under the current arrangements, NGESO would pay for some Balancing Services, such as non BM STOR, for the service delivered rather than the service received, meaning there wouldn't always be a comparable change at the Boundary Point. However it was noted by a number of Workgroup members that maybe Non BM STOR could move to the concept of service received rather than delivered. A Workgroup member commented that in these cases there are other checks that the asset is delivering as instructed.

The P376 proposer commented that the Modifications sought to ensure that rigour was applied to the way Balancing Services are provided, and that it would be important for the independence of assets to be demonstrated as part of this to ensure that services being delivered were legitimate and not open to abuse. For example, using the situation already discussed, we would want the action to be accurately compensated if that action stopped the Total System being negatively affected. However, it's important to ensure that the action was being undertaken independently and didn't intentionally happen at the same time as other events on site. For example turning on a Generating Unit may automatically switch on a pump. Therefore the Workgroup concluded that moving to Settlement based on flows at the Operational Metering should not be at the expense of calculating the impact on the Total System.

The Workgroup considered how FPNs would be calculated: If an SBMU contained one asset then it would be the FPN for that asset; if it contained numerous assets then it would be the sum of FPNs for those assets. The Workgroup noted that NGESO would receive FPNs on an SBMU basis. The NGESO representative noted that there was a desire for Virtual Lead Parties (VPLs) to provide GSP level services to aid with system constraints rather than just GSP Group actions. They noted that this wasn't progressed under P344 as it was unclear that aggregators would be able to deliver this.

A Workgroup member noted that there was no limit on the number of SBMUs that could be registered and so it would be possible to register each asset in its own SBMU relating to a GSP, as long as it met the volume requirement which is 1MW for Replacement Reserve. However they noted that this is not economically viable.

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The P376 Proposer commented instead of having a single Baseline Methodology in the BSC, it would be best to prescribe the process for establishing methodologies in the legal text. They commented that some markets have a default baseline. If this did not fit the site, then other approved methodologies should be considered, with the establishment of a new Baseline Methodology as the last resort. There could be instances where different sites are better suited to a particular baseline methodology. Therefore when creating the solution the Workgroup may consider having more than one baseline methodology in operation at the same time and how this could/would work.

A Workgroup member commented that if baselines were established under the BSC for Settlement, there should also be a change in the Grid Code for dispatch. The P376 Proposer did not see an issue with decoupling the FPNs and considered that the FPN used by NGESO for dispatch could be different to the one used in Settlement. A Workgroup member questioned how sites would be monitored, noting that dispatched volumes would need to be translated to Settlement. The P376 Proposer responded that a delta could be derived from the dispatch instructions and then applied to the baseline during Settlement to reflect the delivered volume. The Workgroup noted that how this was provided would need to be considered. ELEXON commented that accepted volumes are fed into Settlement and so it could potentially work in a similar way with the accepted volumes (delta) added to a FPN derived from a Baseline Methodology which may be different from the FPN used for dispatch. Many Baseline Methodologies require meter data from the day of the event, to more accurately model what the site is doing that day. However this would create a delay in creating the FPN for Settlement due to the availability of Settlement Metering data.

The Workgroup considered whether it would be possible to allow the baseline FPN for Settlement to change after gate closure as this could improve the accuracy, or even after the end of a Settlement Period, and noted that there would need to be consideration of how this data would be provided.

The Workgroup considered whether the same Baseline Methodology should be applied to all sites in an SBMU or whether there could be a mix. The P376 proposer commented that different sites will have different characteristics and so only allowing one methodology could be restrictive and reduce accuracy.

A Workgroup member commented on how Baseline Methodologies would be applied, they believed that this would be a new function rather than a new service to administer the methodologies.

The Workgroup concluded that the standards shouldn't be too prescriptive, but should reference things like the CoPs as this will aid futureproofing.

The Workgroup considered how line losses should be accounted for. The P375 Proposer noted that the Issue 70 group thought this could be linked to the voltage of the Meter. ELEXON noted that when calculating Non Delivered volumes it uses actual Settlement metered data. This metered data will include losses up until the GSP Group. If the FPN is calculated based on flows at the Boundary or at the Operational Meter and is not adjusted for losses then there will always be a difference between actual metered data used for Settlement and Expected flows (which equals FPN plus Accepted Volumes) if the FPN and Accepted volumes do not take losses into account. ELEXON committed to provide further examples at the next workgroup to illustrate this further.

The Workgroup decided that it should consider the role of agents and the need for registration flows in its next meeting, and consider where any Baseline Methodology would best sit under the BSC as well as associated charging. The Workgroup considered that as the Modifications were similar and the membership was almost the same, ELEXON should continue to try and combine Workgroups for the two Modifications and noted that this would mean having more frequent Workgroups to ensure things were fully considered.

Actions

No	Action	Action on
1.	Present an overview of the dispatch process at the next Workgroup	NGESO

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	meeting, including how sites with inaccurate FONs are considered	
2.	Look into the timings of any meter data it received in relation to Balancing Services and how/if this could be used to provide assurance that assets were delivering as intended.	NGESO
3.	Consider whether related Grid Code changes would be needed.	NGESO
4.	ELEXON agreed to consider how the function could work for administering the Baseline Methodologies.	ELEXON
5.	Provide a walkthrough of metering standards at the next workgroup to help it decide what is appropriate.	ELEXON
6.	Look at some examples of how losses could be accounted for.	ELEXON
7.	Provide a detailed overview of potential assurance methods at the next Workgroup.	ELEXON