



# ESO Operational Transparency Forum

26<sup>th</sup> August 2020

nationalgrid**ESO**

# Introduction

Please ask any questions via the Q&A section in Webex and we will pick them all up at the end of the session and answer those now which we can. We may have to take away some questions and provide feedback from our expert colleagues in these areas.

These slides, event recordings and further information about the webinars can be found at the following location:

<https://data.nationalgrideso.com/plans-reports-analysis/covid-19-preparedness-materials>

## Updates:

Trading Transparency survey:

[https://nationalgrideso.fra1.qualtrics.com/jfe/form/SV\\_d0epwvZTTsXxXHT](https://nationalgrideso.fra1.qualtrics.com/jfe/form/SV_d0epwvZTTsXxXHT)

Dynamic Containment (DC) Consultation – all documentation and service terms are available on our website and the consultation is open:

<https://www.nationalgrideso.com/industry-information/balancing-services/frequency-response-services/dynamic-containment>

## Key topics for this week:

Business continuity

Demand review and outlook

Project TERRE update

Dynamic Containment

OFGEM Summer Review

# Questions from last week

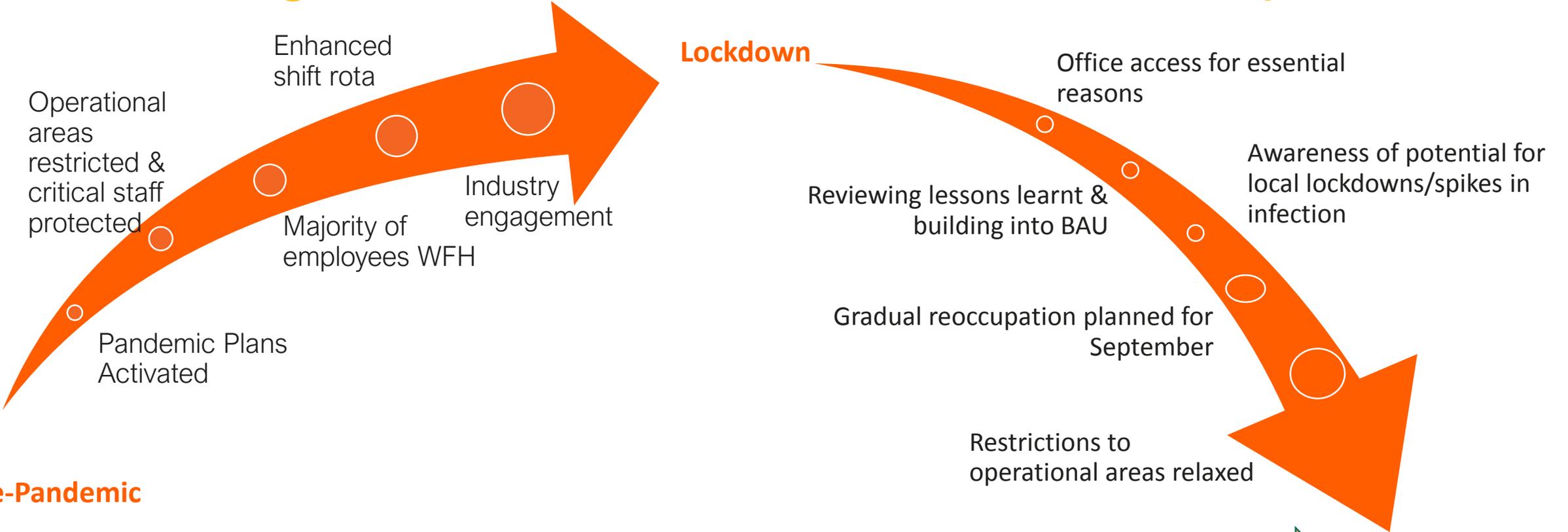
Q: What do 'outstanding liabilities' refer to in the MBSS

A: Outstanding liabilities is payments which have yet to flow through the process. The ESO is actively managing these late payments

Q: Do you have an update on the Terre project

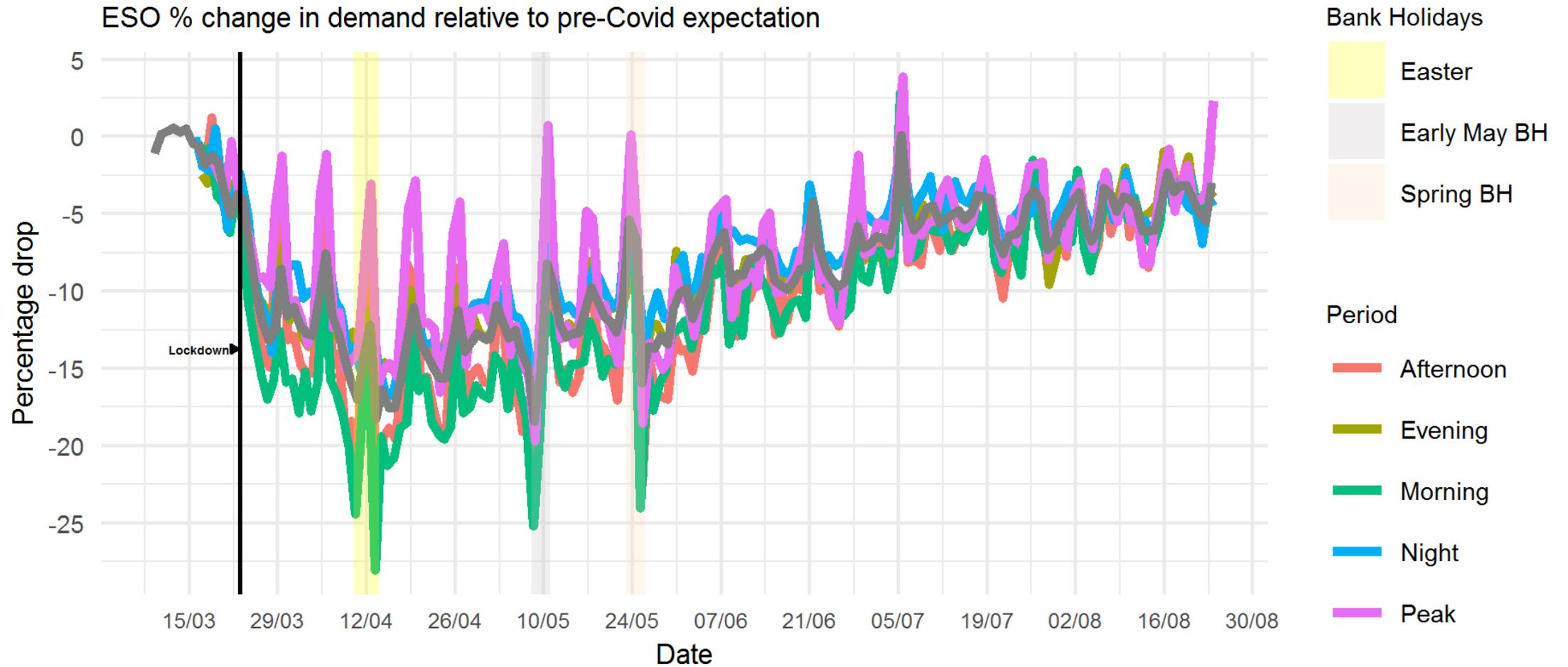
A: Update this week

# Protecting Critical Staff to maintain Critical Operations



Identify & respond to system operability challenges

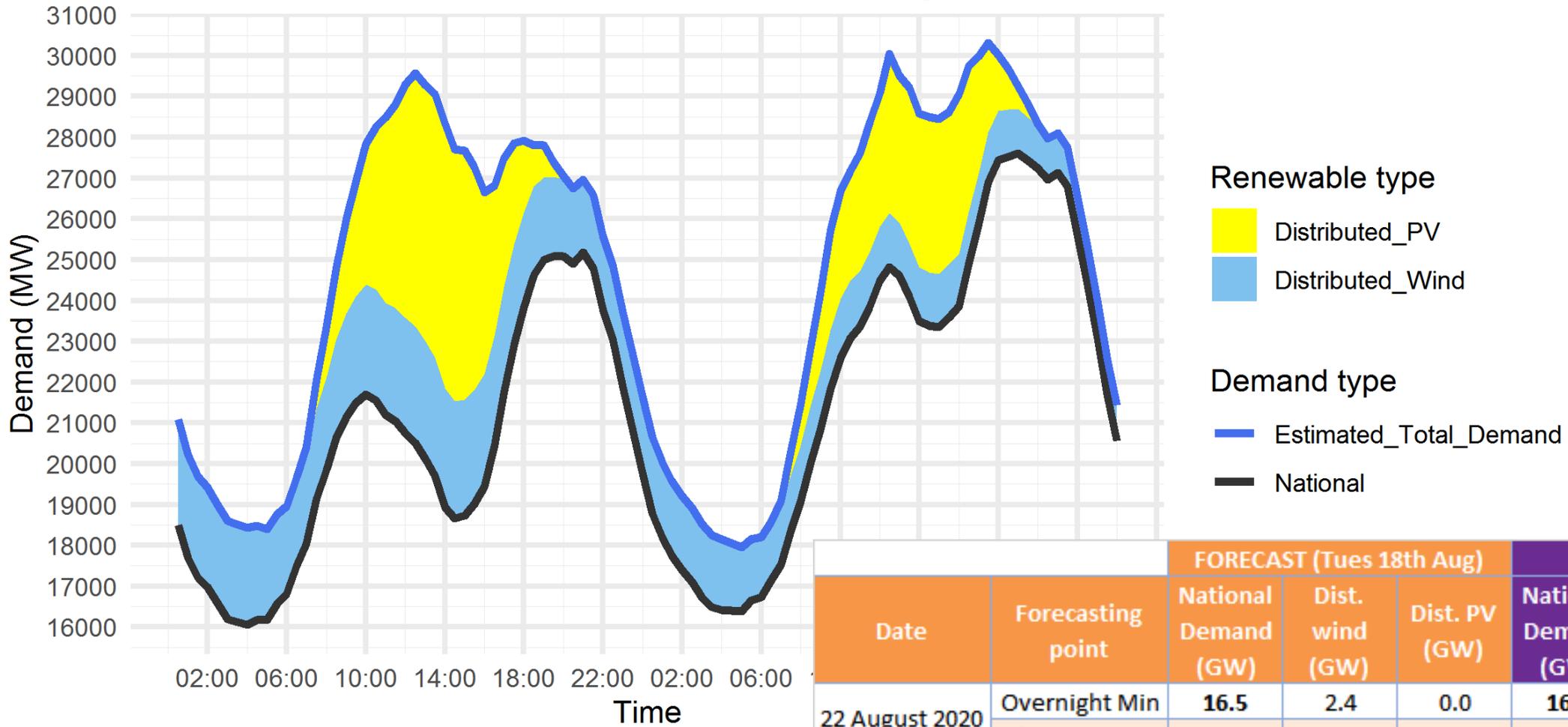
# ESO % change in demand relative to pre COVID



As of Monday, for the previous **last 7 days**, average overall demand drop of  $\sim 3.3\%$

# Demand | Last Weekend Outturn

ESO National Demand outturn 22nd & 23rd August 2020

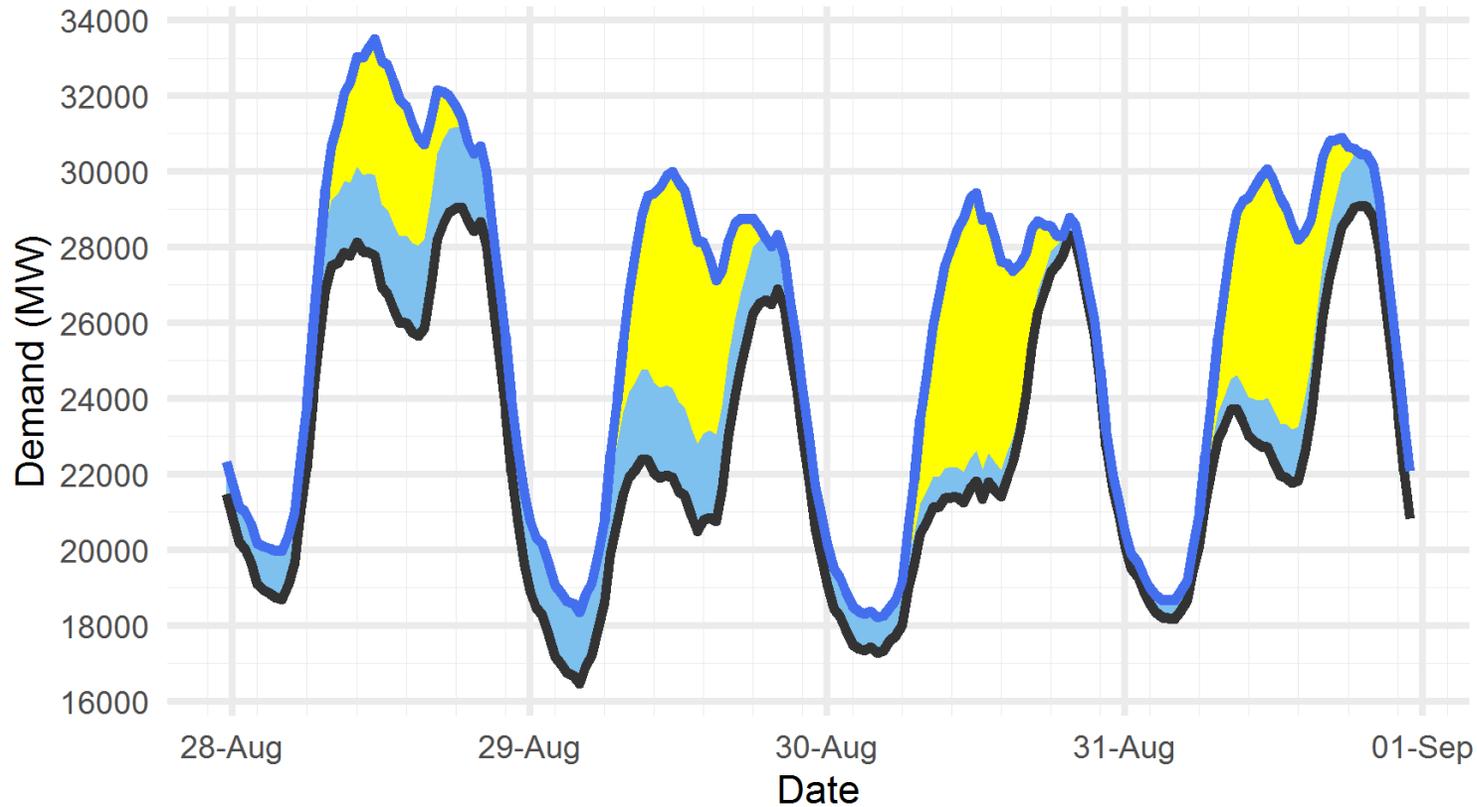


		FORECAST (Tues 18th Aug)			OUTTURN		
Date	Forecasting point	National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)	National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)
22 August 2020	Overnight Min	16.5	2.4	0.0	16.0	2.4	0.0
	Afternoon Min	18.8	2.8	4.7	18.7	2.9	6.2
23 August 2020	Overnight Min	16.3	1.7	0.0	16.4	1.6	0.0
	Afternoon Min	21.0	1.4	5.2	23.4	1.3	3.8

# Demand | August Bank Holiday weekend

ESO Demand forecast Aug Bank Holiday weekend 28 to 31 Aug 2020

based on the current government policies in relation to the pandemic and on the latest weather forecast



Renewable type

- Distributed\_PV
- Distributed\_Wind

Demand type

- Estimated\_Total\_Demand
- National

		FORECAST (Wed 26th Aug)		
Date	Forecasting point	National Demand (GW)	Dist. wind (GW)	Dist. PV (GW)
29th Aug 2020	Overnight Min	16.5	1.9	0.0
	Afternoon Min	20.5	2.3	5.4
30th Aug 2020	Overnight Min	17.3	0.9	0.0
	Afternoon Min	21.4	0.8	6.6
31st Aug 2020	Overnight Min	18.2	0.5	0.0
	Afternoon Min	21.8	1.4	5.4

# Transparency | TERRE Update

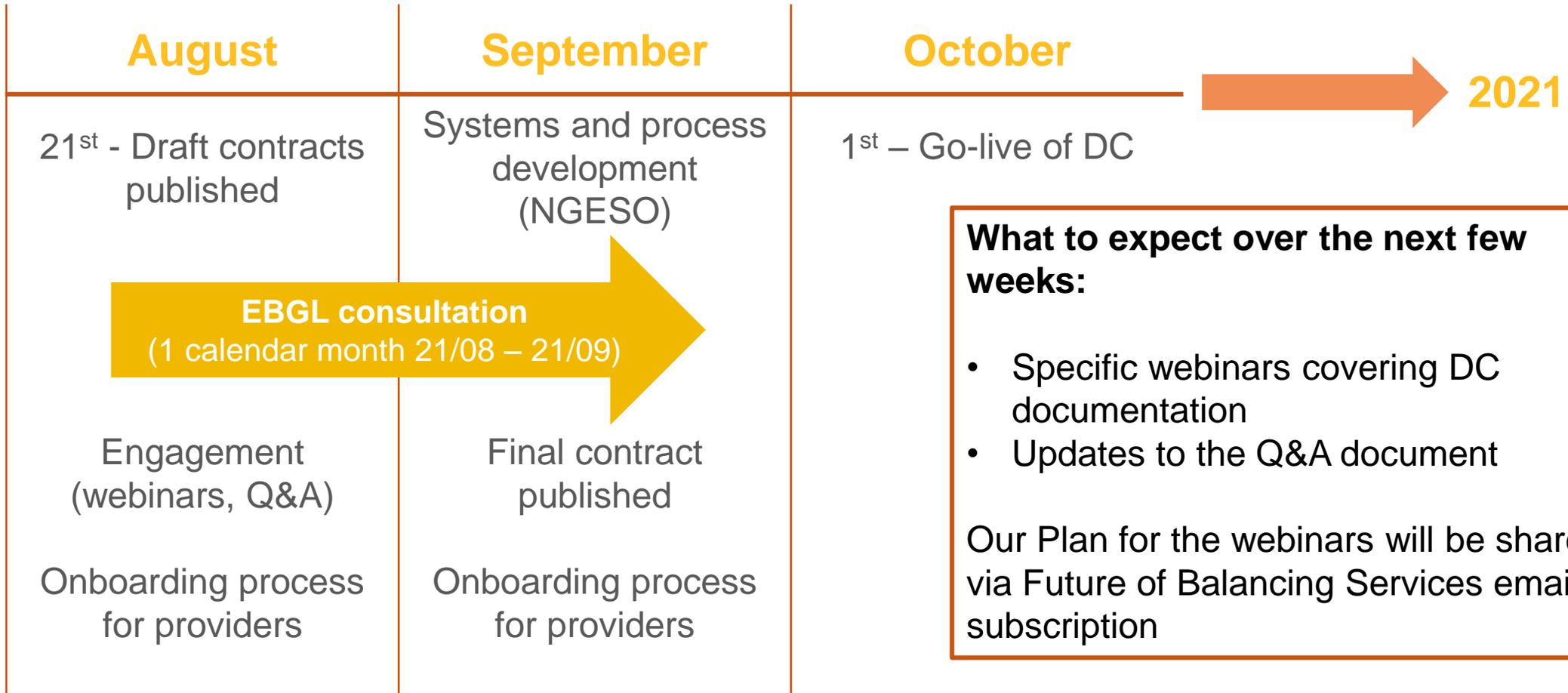
- Timeline for market go-live Derogation to June 2020 and then COVID impact pushing go-live to late 2020.
- NGESO has written to Ofgem (19<sup>th</sup> August) wrt TERRE and concerns on our participation post 31<sup>st</sup> December 2020
- Industry publication on 4<sup>th</sup> September 2020.
- European Commission Publication – 9<sup>th</sup> July 2020.
  - UK will no longer participate in the Unions dedicated platforms, alternate fallback solutions should be sort.
  - GB to EU Interconnectors will become ‘ third party energy flows’ and will not be managed through Union platforms.
  - Separate release stating SwissGrid will not be allowed to join TERRE at this time also.
  - TERRE platform LIBRE is a Union platform
  - RTE –lead TSO on TERRE are currently doing a legal review on the contracts, a report expected early September.
- TERRE cross border flow status
  - IFA TERRE readiness 2021.
  - IFA2 TERRE readiness late 2020.
  - Eleclink TERRE readiness 2022
  - Cross party working groups progressing in readiness for RR products on the interconnectors when they become available.

# Transparency | TERRE Update

- **Go-Live Date and timeline for Brexit**
  - NGESO go-live with TERRE without any RR products being available across the interconnectors – ‘stand alone mode’
  - Provide market experience for GB participants until the interconnector cross border availability.
  - Following the EC letter this time to gain experience is limited and the costs associated with developing TERRE provides uncertainty on the CBA for participation.
  - The estimated €17m pa benefit for GB Consumers uncertain.
  - NGESO - our rights to use the central platforms (LIBRE) and therefore ‘stand alone mode’ is of great concern.
  - Following the failure of a BaU update to the BM in July this has also impacted our deployment plans and consequential TERRE go-live to mid December.
- **Next Steps.**
- NGESO continue dialogue with Ofgem and BEIS.
- Gain greater clarity on the legal position (RTE feedback)
- Rapid development the least impact solution on the future GB development pipeline and with parties involved in the complex development.

# Transparency | Dynamic Containment

## Delivery plan



Any questions? Please contact your account manager  
or email: [box.futureofbalancingservices@nationalgrideso.com](mailto:box.futureofbalancingservices@nationalgrideso.com)

# Dynamic Containment engagement

Today we hosted the procurement webinar. There are two more webinars this week:

3 September	4 September
Onboarding and submission templates	Testing document

Recordings will be published on the Dynamic Containment (DC) website, and we are continuing to update the Q&A document, which is also on the DC page.

**[Consultation Open: EBGL Article 18 Dynamic Containment \(DC\) Terms and Conditions](#)**

The consultation for DC is open until 21 September @ 17:30.

# Transparency | Ofgem Open Letter

Ofgem on 17 August 2020 published an Open letter - [here](#)

*"The GB electricity system has seen an increase in balancing costs this spring and summer 2020, coinciding with the onset of the COVID-19 pandemic. Specifically, the period from March to July 2020 has seen balancing costs of £718 million, which is 39% higher than the ESO expected costs would look like in this period. These costs increased at the same time as nationwide lockdowns changed consumer electricity consumption behaviour and reduced industrial activity. Moreover, some of this period saw high level of renewables output, which required the ESO to take a large number of actions to balance the system and ensure system operability.*

*This letter sets out our intention to evaluate the high balancing costs on the GB electricity system this spring and summer and identify lessons that need to be explored further in order to reduce costs to consumers going forward. This letter also describes how we intend to engage with stakeholders in this process."*

Three main areas of focus

1. Long term preparedness
2. Crisis management and response
3. Lessons for the future

Ofgem will be seeking evidence from the ESO during August before running virtual round tables in early September before finishing the review in October.

To participate please review the letter and contact Ofgem on [esoperformance@ofgem.gov.uk](mailto:esoperformance@ofgem.gov.uk)

# Summer ESO Actions

## People

- Focused on keeping our people safe to ensure that uninterrupted power system operation can continue

## Transparency

- We have engaged industry across these webinars and other webinars with DNOs and TOs
- Providing information on;
  - Demands
  - Operability Challenges
  - Changes to projects
  - All of which you have told us has supported your decision making during this period
- Provided updated BSUoS Forecasts to support industry in understanding the complexity and increased costs over the summer

## Actions

- Identified through robust analysis the operability challenges of suppressed demands over the summer
- Highlighted the requirements for increased flexibility and sought from industry parties through Super-SEL contracts
- Developed and launched a new product – ODFM which has enabled over 4GW of new entrants to the market to support the most critical points
- Ensured continued flexibility with a contract with EdF to reduce the output of Sizewell
- Provide code clarity in relation to last resort Emergency Instructions through the Grid Code Modification GC00143
- Supported CUSC change CMP350 to defer up to £100m of costs from 20/21 to 21/22
- Continued to progress ESO forward plan commitments.

## Review

- Supporting Ofgem in their review of the Spring/Summer of 2020

# Q&A

**After the webinar, you will receive a link to a survey. We welcome feedback to understand what we are doing well and how we can improve the event ongoing.**

Please ask any questions via the Q&A section in Webex and we will try to answer as many as possible now

Please continue to use your normal communication channels with ESO

If you have any questions after the event, please contact the following email address:

**[box.NC.Customer@nationalgrideso.com](mailto:box.NC.Customer@nationalgrideso.com)**

