

NGESO Coronavirus Preparedness

25th March 2020

The Webinar will
start at 14:03



Recap of topic areas from the Webinar last week

Outline of the steps that NGENSO have taken to ensure we can continue to our key business functions as the impact of coronavirus continues to be felt

Outline of the specific steps NGENSO has taken to protect our controls rooms and critical operational activities

A view of the operability challenges in managing the GB Electricity system

A summary of the questions that we have been receiving from customers and stakeholders and our response to these questions

Commons themes of the questions that we received during the Webinar

What do we expect will be the impact on national electricity demand?

We are definitely seeing an impact on national demand, and will be covering this in more detail later in the webinar

Are we concerned about any potential impact on generation availability or balancing services provision? Are we expecting any knock on affect to margins?

We are reaching out to generators and balancing service providers, and coordinating with BEIS. Plant availability currently remains in line with expectations – we will continue to monitor this as part of our normal operating processes

Have we adjusted our reserve and/or response holding strategy in response to the situation?

We will discuss this later in the webinar

Will there be any impact on markets, such as weekly or monthly tenders? Will there be any impact on other activity, such as pathfinders?

We will cover this later in the webinar

Summary of NGENSO response to the Covid-19 outbreak

We have completely separated operational critical activities from the rest of the business

We are maintaining strong levels of hygiene within the control rooms and asking staff to abide by social distancing advice when working

We have split control staff between our two control rooms, so that they only ever visit a single 'home' control room

All interactions with non-control staff, for example planning handovers, are now conducted between a large screen in the control room and colleagues who are working from home

This allows documents to be shared and discussed, whilst maintaining 2m spacing between individuals in the control room

We have asked control staff, who have recently moved roles, to re-join the control room to support the shift rota

We are continuing to monitor margin levels using our normal processes

We are maintaining regular communication with a range of customers and stakeholders to share best practice and monitor the impact of reduced staffing levels for example, on generator availability or changes to the outage pattern

We are considering a range of potential future actions or activities should the impact of covid-19 continue to grow

We are developing a defensive strategy to managing the NETS, working with network operators to restore transmission assets to service and minimise switching activity

We continually review our working patterns to ensure that we can continue to maintain a safe and secure system, whilst managing potential absences

We are considering options to house control staff locally to the control room who can then operate the system, whilst minimising contact with the outside world

We are continuing to review generator availability and assessing it against system requirements

We want to continue to work with network operators and generators to ensure that appropriate contingency arrangements are in place and to share best practice

GB Electricity Demand Forecast

Our initial analysis conducted a few weeks ago, provided a range of potential demand scenarios; all of which showed a decline in GB electricity demand

The scenarios were built, by taking the known proportions of demand in GB (residential, commercial and industrial) and making pragmatic forecasts of how those demands could be affected by a number of factors

Assumptions:

Residential demand has been assumed to remain relatively stable. In practice, it is likely to increase slightly, as people are working from home. Although, the nature of this situation means that the residential load is likely to be more evenly spread during the day rather than in peaks and troughs

Commercial demand is seen in all scenarios to decrease as commercial outlets are affected by people working from home and in the 'Greater impact' scenario commercial properties are forced to close by Government restrictions to avoid people socialising and spreading the virus

Industrial demand is the area with greatest scope for large reductions and a range of demand reductions occur through all of the scenarios. It is also the segment most difficult to assess and therefore provides the greatest uncertainty. A higher rate of economic slowdown could result in more industrial shut downs

GB Electricity Demand Forecast

Each forecast scenario has been studied with a different level of impact from Covid-19, ranging from low to high

This analysis has indicated a spread of demand suppression between 96% and 83%

Benchmarking and calibrating:

The analysis has been benchmarked against the impact that the Coronavirus has had on other European countries (Italy in particular) as these are countries which are further ahead in terms of the Coronavirus spread.

If the UK follows a similar trajectory then we can expect impacts on UK electricity demand over the coming days, weeks and months

Monitoring and adjusting demand estimates going forward:

Last week we saw further demand reductions as some industrial companies announced they would be slowing or pausing production.

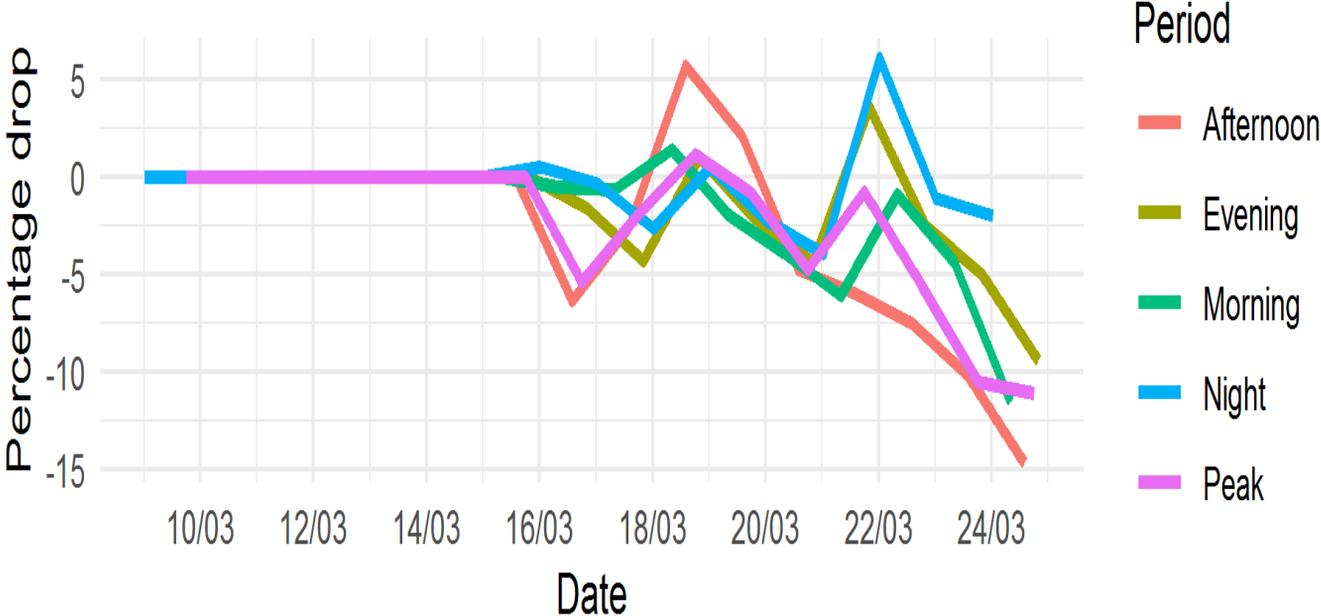
Further changes at the end of last week, such as school and commercial establishment closures, has further reduced UK demand to a level which is between our 'Medium impact' and 'Greater impact' scenarios

Additional measures announced by the UK Government on Monday evening will have a further impact on demand levels, we will continue to monitor this impact.

GB Electricity Demand Forecast

The graph below, highlights that national demand is out-turning within the range of studied scenarios:

ESO percentage change in demand relative to second week in March 2020



Monitoring – Near Term

Reserve and Response levels.

What it is – We use reserve to manage uncertainty such as demand or forecasting errors. We use response for rapid changes in imbalance between supply and demand.

What we are seeing - Reserve – our levels are based on the uncertainty that we see in real time. Whilst demand has been uncertain the forecast uncertainty has been within the normal operating envelope.

What we are seeing - response – our advice in the control room covers a wide range of scenarios current indications are that will remain within the scenarios that we plan for.

We welcome feedback if you think you are aware of issues which may affect the supply/demand imbalance of the system brought around by COVID-19

Generator Availability

What it is - Grid Code Providers submit generator availability through OC2

What we are seeing - Plant availability remains in line with expectations for this time of year.

Key requirement as always is for the market to update OC2 and remit obligations for any reduction in generator availability

Margins

What it is - Informed (OC2) Generation – Forecasted Demands = Margin

What we are seeing - Margins remain healthy in line with expectations for this time of year.

Clock change next weekend brings a drop in demand which will further increase margins.

Market

COVID-19 impacts on new-build

We are aware of impacts on new build contracts with various ancillary services agreements. We are taking these on a case by case basis, please flag with any concerns.

Tenders

We are intending to run all tenders to their normal timescales. If this causes any concern, please get in touch.

Longer Term Projects

We are still aiming to continue with other highlighted works although with a few weeks delay.

Guidance and support for generators and providers

There are three key factors that enable NGENSO to best respond to these challenging system conditions:

Accurate data

Prompt sight of information and data

Flexibility

In order to make this happen, we kindly request that all generators and providers:

Provide as accurate data as possible through normal channels – speak with Account Managers (commercial.operation@nationalgrideso.com) as normal and stations/EMC's contact the Control Room as normal

Talk to us as early as possible about any potential inflexibility/availability issues

Try to be as flexible as possible, and reflect this in your submitted data

If there is anything that we can do to support you, please speak to us

If your normal communication routes are not available, for example, you cannot access your operational fax machine, then please speak to us, so that we can arrange an alternative route, for example email.

Q&A

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

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

box.NC.Customer@nationalgrid.com

nationalgrideso.com

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