

Monthly Monitoring Meeting

Thursday 30th May 2019 14:00 – 16:00

Ofgem Office South Colonnade and Teleconference

AGENDA

Ref	Time	Title	Owner
1	10 min	SME slot – April Balancing costs	ESO
2	10 min	Review actions	ESO
3	10 min	ESO to highlight any particular notable points from the published report	ESO
4	10 min	ESO to answer any questions which Ofgem have sent prior to the meeting regarding the recently published report	ESO
5	10 min	ESO to take other questions on the published report.	ESO
6	10 min	6 th June Event update	All
7	30 mins	End of Year Report Feedback – initial thoughts on the report	All
8	10 min	AOB	All

Meeting record

Monthly Monitoring Meeting

Meeting number 14

Date: 30th May

**Time: 14:00 –
16:00**

**Venue/format:
Ofgem Offices
London**

Teleconference

ACTIONS

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
14	32	30 th May	28 th June	ESO	Explanation and narrative around wind forecasting in April to be provided to Ofgem	Open
14	33	30 th May	28 th June	ESO	Role 1- balancing costs table – metric 1 – add extra row on adjustments (page 4)	Open
14	34	30 th May	28 th June	ESO	Add table/figure numbers to report	Open

MAIN ITEMS OF INTEREST

1. SME slot – April Balancing costs

- April 6th interconnector become unavailable again – constraint costs increased
- April 14th and 15th – peak of constraint costs – large volume of wind being constrained via BM for 24hrs
- ROCOF cost was around £9m – lower than previous month
- High daily cost on 27th April – due to interconnectors
- Voltage costs – 2 days where costs were zero. Costs very low in April. Peak at £350k on 28 April
- Comparison to March costs – ROCOF costs half in April compared to March
- Energy costs – daily energy costs were c.£1.5m in most days in April. Peak at £2m (per day) – high frequency on that day

- Operating reserve – at £4.7m for april (avg daily cost £0.16m).
- Fast reserve- £10.5m (avg daily cost £0.33m).
- Costs in May (so far) – higher costs for ROCOF due to interconnector swings particularly during times of low demand

2. Review actions

29, 30, 31 closed, see action list below for detail.

3. ESO to highlight any particular notable points from the published report

- April was quiet from an operational perspective
- RAG status on each metric – at start of report
- Won't include detail on each metrics in each month's report
- More information boxes in this year's report template as needed – Ofgem said very helpful and clear
- Ofgem provided feedback that it is clear and simple to follow in role areas
 - Key areas - Notable achievement at end of the report – NOA in role 3/ 4, power responsive workshops in role 2, discussion on Easter weekend balancing was brought forward – and link to trading team,
 - Staff changes in commercial team over the last few weeks/months – provides an opportunity to increase the team's direct engagement with Ofgem team
- Ofgem question
 - Forecasting – wind FC – explanation and narrative around wind forecasting in April to be provided to Ofgem – part of metric 3 (action #1)
 - Role 1- balancing costs table – metric 1 – add extra row on adjustments (page 4) (action #2)
 - Add table/figure numbers to report

4. ESO to answer any questions which Ofgem have sent prior to the meeting regarding the recently published report

None.

5. ESO to take other questions on the published report.

None.

6. 6th June Event Update

- Cabaret style room layouts
- All panel members attending
- Last session to discuss final logistics on Monday 3rd June

7. End of Year Report Feedback – initial thoughts on the report

- All questions sent to NG on 3 June
- Ofgem to send questions today, and follow up on certain topics if needed before 14 June
- Panel report will be prepared by end of June
- Deeper dive – tangible and credible evidence

- Structure of EOYR appreciated

Themes and feedback from the report:

- Metric 6 – auction trial – shadow trial was not what was expected – not exceeding
- P2 and P6 – future benefits and extrapolation – bold assumptions
- Case study – page 31
- Future operability report – does this lead to £8bn?
- Metric 14 – target changed to 90%?
- Deliverables under P4 – code administration
- Leadership on European areas – not very strong

8. AOB

None

Appendix 1 – Timetable

1. Annual Requirements

- Monthly
 - 15th working day of M+1 keeps cost basis historic
 - Meeting 20th working day of M+1
- Quarterly
 - 15th working day of M+1 following Q end (Jul, Oct, Jan)
- Half Year Report
 - 15th working day in October (M+1 after half year completed)
- Year End- Ofgem's Proposal
 - 7th May -consultation & draft licence (5 wks after year end)

2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	M	M	M	M	M	M	M	M	M	M	M	M	
			Q						Q				
						1/2YR							FYR

2. Monthly requirements

Date	Action	Owner	Note
15 th Working Day	Monthly report submission date	ESO	
No later than 5 Working Days before meeting	Provide the Chair with meeting papers	ESO	
20 th Working Day	Monthly Monitoring Meeting	Technical Secretary	
25 th Working Day	Minutes from meeting submitted	ESO	
End of Month	Chair to approve minutes from meeting	Chair	
2 nd Working Day after approval of the minutes	Publication of meeting minutes	Technical Secretary	

3. 2018-2019 Reporting & Meeting Dates

Month	Report Published	Ofgem Meeting	Report Type
	(15 th WD)	(20 th WD)	
May	22/05/2019	30/05/2019	
June	21/06/2019	28/06/2019	
July	19/07/2019	26/07/2019	Q1 Report
August	21/08/2019	29/08/2019	
September	20/09/2019	27/09/2019	
October	21/10/2019	28/10/2019	Half Year Report
November	21/11/2019	28/11/2019	
December	20/12/2019	31/12/2019	

January	22/01/2020	29/01/2020	Q3 Report
February	21/02/2020	28/02/2020	
March		28/03/2019	
April			
May	7/5/2019		End of Year Report

Appendix 2 – Closed Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
1.	1.	30/5/18	15/6/18	HK	Agenda to be updated to reflect new item for discussion	Closed
1.	2.	30/5/18	15/6/18	JD	Formal write up of the feedback received to the first month report	Closed
1.	3.	30/5/18	15/6/18	SB	Providing any further thoughts on how the summaries per principle could be written to provide clear evidence	Closed
1.	4.	30/5/18	15/6/18	SB	Dates to be shared for monthly meetings, and tentative dates for half year and end of year	Closed
1.	5.	30/5/18	15/6/18	SB	Lines to take/ Summary of process for panel events	Closed
2.	6.	28/6/18	27/7/18	HK	ESO look at wording in the charging circular email and more clearly explain the basis	Closed
2.	7.	28/6/18	27/7/18	CC	Detailed articulation of BSUoS billing metric and how it relates to CUSC	Closed
2.	8.	28/6/18	27/7/18	GT	Share guidance on how the roles and principles under 18-21 incentives can be used and shaped as part of the RII02 Business Planning Activities	Closed
2.	9.	27/7/18		HK	Ofgem asked for an understanding of what data would be included within the	Closed
3.	10.	27/7/18		HK	The ESO promised to provide the work in progress versions of principles 4, 5 & 6 and organise a meeting between the ESO and Ofgem to discuss	Closed
3.	11.	27/7/18		DB	Ofgem to confirm contacts for the ESO to engage with regarding the data task force	Closed
3.	12.	27/7/18		HL	Organise a meeting with the metric 4 owners to provide further explanation on the detail	Closed

3.	13.	27/7/18		HK	The ESO to provide responses to the following questions about the auction trial: what had stakeholders said about the delay? Have we tested the reasons explained within the report with stakeholders? Were any alternatives considered (e.g. more resources)? What alternative actions might the ESO take in the interim to help	Closed
3.	14.	27/7/18		DF	Provide an update on any further stakeholder feedback received on the Roadmaps and asked what actions are the ESO taking to improve the stakeholder survey scores	Closed
3.	15.	27/7/18		HL	Provide more detail behind the re-prioritisation of codes mentioned in the Q1 report and organise a meeting to discuss	Closed
3.	16.	27/7/18		HL	Clarification on the statement around the C27 licence mentioned within the report.	Closed
3.	17.	27/7/18		JD	Where possible, publish the responses of received to the Forward Plan Consultation on the NG website	Closed
4.	18.	29/8/18		HK	The ESO to respond to email sent from Ofgem regarding dispatching actions taken under principle 2	Closed
4.	19.	29/8/18		DB	Ofgem to share the feedback that they had received around the ESO taking a more proactive role in the ENA Open	Closed
4.	20.	29/8/18		DB	Ofgem to organise a meeting to discuss the lessons learned and potential changes for next year's incentives year	Closed
4	21	29/8/18		HK	Provide further detail behind balancing costs on 28/29 July, including why the forecasts were incorrect and whether any lessons have been learned.	Closed
5	22	28/9/18		HK	Carbon Intensity- Why did we prioritise this information to share	Closed
10	23	28/02/19		SM	Share with Ofgem how Energy Forecasting team calculates its year-on-year performance measure	Closed

10	24	28/02/19		SM	Share with Ofgem how the monthly BSUoS forecast is done, and what ESO can leverage to improve the quality of the forecast.	Closed
10	25	28/02/19		GT and LS	Look at options for hosting EOY event, regarding costing, location, organisation.	Closed
10	26	28/02/19		ESO	Propose monthly meetings agenda format.	Closed
11	27	28/03/19		ESO	Explain what the ESO is doing to look at managing RoCoF with respect to largest loss impact, through its operability strategy and planning.	Closed
11	29	28/03/19		Ofgem	Inform the ESO of what additional data may be required in support of monthly performance reporting for next year.	Closed
12	30	30/04/19		Ofgem	Inform ESO of which SME area they would like covered in future meetings. ESO will put calendar together. Ofgem apologised for not sending earlier	Closed
12	31	30/04/19		ESO	Propose a date in May for workshop on metrics. RIIO teams talking to Grendon – put on hold for now. Align to RIIO timelines	Closed

