

Monthly Monitoring Meeting

Tuesday 28 July 2020, 10:00 – 12:00

Teleconference

AGENDA

Ref	Time	Title	Owner
1	10:05 – 10:20	SME slot – Balancing costs	<i>ESO</i>
2	10:20 – 10:35	SME slot – Code modification CMP345	<i>ESO</i>
3	10:35 – 10:45	ESO to highlight any particular notable points from the published report	<i>ESO</i>
4	10:45 – 10:55	ESO to answer any questions which OFGEM has sent prior to the meeting regarding the published report	<i>ESO</i>
5	10:55 – 11:05	ESO to take other questions on the published report	<i>ESO</i>
6	11:05 – 11:20	SME slot – Platform for Energy Forecasting Strategic Roadmap	<i>ESO</i>
7	11:20 – 11:30	Ofgem to give feedback on ESO performance	<i>Ofgem</i>
8	11:30 – 11:40	Review actions & AOB: <ul style="list-style-type: none">• Forward Plan addendum• Session with Performance Panel to discuss feedback from 2019-20• Timings of reward decision for 2019-20	<i>All</i>

Meeting record

Monthly Monitoring Meeting

Date: 28 July 2020
Time: 10:00 – 12:00
Venue/format: Teleconference

ACTIONS

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
25	59	26 Jun	1 Jul	Ofgem	Send Panel report on 2019-20 performance to ESO	Closed
25	60	26 Jun	6 Jul	Ofgem	Ofgem to review the draft version of the Addendum before publishing	Closed
26	61	28 Jul	4 Aug	ESO	ESO to share presentation slides with Ofgem	Closed
26	62	28 Jul	31 Jul	ESO	ESO organise an IT deep dive session with Ofgem	Closed
26	63	28 Jul	28 Aug	Ofgem	Ofgem to organise a session for feedback from the performance panel	Open

MAIN ITEMS OF INTEREST

1. SME slot – Balancing costs

The Electricity System Operator (ESO) presenter gave commentary on the £139m outturn against the £82.6m benchmark.

Key points:

- The trend of balancing costs was high due to COVID-19 pandemic impact.
- In June, we had high RoCoF and constraint costs due to suppressed demand level.
- The overall cost in June was lower than May due to higher average demand and lower wind in Scotland.

- The average demand reduction was approximate 5% from pre-COVID-19 levels. The demand level reached a new record low on 28 June.
- There were three days that had demand below 15GW in June. The Optional Downward Flexibility Management (ODFM) was not triggered as analysis of the system condition indicated that this was not required.
- The ESO carried out a series of actions to minimise the balancing costs and secure the system at low levels of demand.

Q&A section:

Ofgem asked if there was any difference on trends and actions from the previous year and what the process was to trigger the use of ODFM.

The ESO said there were changes on many small actions on optimising the system security with least costs rather than big changes on how we worked and operated the system. The actions have been explained in the monthly presentations.

The process and decision on triggering ODFM is complex. The ESO assess the demand forecasting data to determine if the pre-identified threshold is reached to trigger the ODFM assessment process. Using, 28 June as an example, the assessment indicated that ODFM was not required. As per the process, the ESO study the lowest demand forecast on the system with our planning tools. The aim is to solve all the energy issues including RoCoF, vector-shift, response, voltage whilst ensuring enough negative reserve is held to meet the requirement. An additional negative reserve contingency is held in planning timescales to cater for demand, wind and solar errors. The ODFM service will be triggered if other actions cannot resolve the system issues. As per the timeline, the decision/instruction is made by 3pm on proceeding day. In most cases, the minimum demand occurred on Sunday 1B (01:00am - 02:30am) so the ESO makes a preliminary decision on Thursday and Friday of the working week. The traders and the control room will make final decision on the weekend themselves. It is worth noting the interaction between the ODFM and interconnectors. Depending on market conditions there could be an additional 3GW space to run generation (if the interconnectors all export). The ESO have to assume the interconnectors might not be available for trading to full export in the market due to capacity reasons and this is considered on a case by case basis to ensure the risk appetite for the ODFM decision is sound. The ESO plan to bring a detailed explanation of the ODFM to an upcoming weekly ENCC webinar or Ops Forum.

2. SME slot – Code modification CMP345

Key points:

- Balancing Service Use of System (BSUoS) costs have increased due to COVID-19 and the associated low demand. The ESO were in conversations with Ofgem over the period on support for both Transmission Network Use of System (TNUoS) and BSUoS.
- SSE raised CMP345 to defer £500m COVID-19 BSUoS costs incurred from 1 June to 31 August 2020 to financial year 2021-22.
- The ESO worked collaboratively across a number of teams to support the modification:

- As the code administrator the ESO facilitated special panels and back to back meetings with stakeholders, ensuring all required reports were produced ahead of meetings.
- The Connection and Use of System Code (CUSC) representatives engaged widely with impacted industry parties and Ofgem, and produced the required legal text overnight
- The ESO provided subject matter experts from Revenue, Finance, IT and BSUoS Forecasting teams to ensure that industry had all of the required information to make a decision on the modification in short timescales.
- The ESO's collaborative approach on CMP345 both internally and externally resulted in the timely provision of financial support, two days after Ofgem's decision on the modification and ensured there was transparency on process.

Q&A Section:

Ofgem asked what the ESO thought about proposals in the BSUoS Taskforce where the BSUoS financial risk moves to the ESO.

The ESO noted that they are working closely with the BSUoS Taskforce and Ofgem to understand who should pay BSUoS and how. They noted that if it is in the best interests of consumers for the BSUoS volatility risk to move to the ESO then the ESO are happy to explore this as an option, as set out in our RIIO2 proposals. An enduring solution, however, would require a different financial arrangement through RIIO2. This is different than through this modification, where the ESO has been clear that it does not want to make a profit from COVID-19, which has been made possible due to the support being time limited.

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

- The ESO have published a Forward Plan Addendum¹ on 17 July, which sets out the latest view of what the ESO will deliver under the impact of COVID-19, and where possible takes account of the feedback we received from Ofgem in its Formal Opinion. This quarterly report takes the above revision into consideration.

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

The ESO supplied responses before the meeting.

5. ESO to take other questions on the published report

Ofgem asked whether the ESO had a plan to replace the Code Administration Code of Practice (CACoP) survey, which has been delayed this year due to COVID-19.

¹ <https://www.nationalgrideso.com/document/173131/download>

The ESO said there were a couple of options in the absence of the CACoP survey. The ESO are open to working with the Ofgem code admin team to do another survey separately to make sure that a survey still happens this year. Ofgem is keen to carry out the survey to involve the market participants and see improvements on the key areas. The ESO agreed with Ofgem to take this offline and make sure that a plan is in place by the end of the year.

6. SME slot – Platform for Energy Forecasting (PEF) Strategic Roadmap

Key points:

- The ESO have published an update to PEF roadmap in June 2020 including a high-level modelling approach, and methodology and forecasting accuracy improvements.
- There are two phases in PEF. The initial core phase includes four focus areas: national demand forecast, Grid Supply Point (GSP), wind power forecast and solar power generation forecast.
- The purpose of PEF is to deliver forecasting capability to support electricity system operations and market participants towards supporting zero carbon operations by 2025.
- The PEF team consulted and listened to the stakeholders and developed the machine learning and machine readable demand, PV and wind model to market.
- The ESO has delivered value to consumers by improving forecasting accuracy, service quality and transparency.
- The ESO's forecasts and data are published in Balancing Mechanism Report Service (BMRS)². Forecasting data is also available on the ESO's dedicated website for energy forecasting³ and ESO Data Portal⁴.

7. Ofgem to give feedback on ESO performance

Key points:

- Stakeholders are keen to learn what is the trigger and process for ODFM.
- For the Open Networks project, stakeholders were keen to see more engagement from the ESO so that consistent improvement could continue.
- Stakeholders felt that, although the ESO's engagement in Open Networks events had improved, there was room for improvement outside of the Open Networks meetings. Stakeholders requested commitment and engagement from ESO SMEs as the ESO develops its own plans and deliverables, so that DNOs can inform and benefit from ESO expertise.
- The ESO should involve other parties more as it develops products and makes decisions.

8. Review Actions

- Actions 59 and 60 closed

² <https://www.bmreports.com/>

³ https://demandforecast.nationalgrid.com/efs_demand_forecast/faces/DataExplorer%3Bisessionid%3DDfJwBrWZU0nm7JTimTm3ktaIW016sp7bzYt0oet-r-UnIntlj7fm!-1464448510.jsessionid=8nuZm_4Op8XiyVSHRALuQJAz0kuNGvNz1TvBP82_EjPtvs1jVx-f!1948957174

⁴ <https://data.nationalgrideso.com/>

- Action 61, 62 and 63 added

9. AOB

- Ofgem asked for more information about the ESO's control room IT projects. There had been senior conversations on the project to widen access to the Application Programme Interface (API). The ESO will arrange a meeting with Ofgem in August to discuss in further detail the issues affecting IT projects.
- Ofgem is happy to provide feedback to the Forward Plan Addendum in the future monthly meetings but there will not be another Formal Opinion.
- The ESO asked about the session with the performance panel for feedback, which had previously been mentioned. Ofgem will suggest some dates for this meeting.

10. Answers to questions asked by Ofgem, prior to the meeting

Role	Question	Answer				
1	How much money has the ESO spent on ODFM in Q1, and how much volume has been deployed?		Volume instructed	Instruction period	Overall	Cost
			238MW	10 th May 0400 to 0700	714MWh	£124k
			1006MW	22 nd May 2300 to 23 rd May 0600	7,042MWh	£3.7m
			1920MW	23 rd May 0600 to 23 rd May 1630	20,160MWh	
			855MW	24 th May 0000 to 0900	7,695MWh	£1.4m
			1048MW	25 th May 1000 to 1630	6,812MWh	£1.2m
		Total	5067MW		42,423	£6.4m
		Total: 5067MW for the instruction periods; 42,423MWh overall; £6.4m cost.				
1	Stakeholders have noted that data on the ESO's Data Portal is uploaded erratically/not uploaded until weeks after the specific date(s). What are the ESO doing to ensure that accurate data is uploaded to the Portal in a timely fashion?	We currently publish over 50 datasets on the ESO Data Portal, that are updated at various frequencies from up to every 30 seconds through to annually. All our datasets are automatically monitored so that an alert is generated if the dataset has not been updated within a defined period. There were a couple of specific issues in Q1 with the availability of the data from source systems, but this only impacted a small number of the datasets we publish, where there have been such issues, we have communicated this on the relevant dataset page. In				

		<p>Q1 we only had one query related to a late publication of data, we would welcome any specific feedback that Ofgem has received on this matter so that we can understand any issues better.</p> <p>To help further improve the reliability of our data publications we are planning to migrate more datasets from manual publishing processes to automated feeds later in the year, and based on the feedback we received during our last industry engagement sessions, we are also planning to release new functionality in the coming months to allow stakeholders to subscribe to notifications for datasets of interest, so that if they wish, they can receive an email notification when a dataset is updated.</p>
1	Metric 1D: Why were outage numbers high in Q1? Is this a trend that is expected to continue?	<p>If we look at 2019/20, there was 2316 outages in Q1 compared with 1885 outages in 2020/21, there has been a reduction in the number of outages which was down to many cancellations/postponements from COVID-19. It is worth noting that Q1 is the start of BST and the season when we see the highest volume of requests to access the transmission network. Therefore, there is a trend that we always expect to see with a large volume of requests into the summer before ramping down into October/November months. It is worth noting that we are seeing an increase in the amount of requests we receive over the winter period due to the sheer volume of access required on the transmission network.</p>
1	Metric 1E: Figure 5 in Role 1 shows that the ESO are almost at their target for customer savings and indirect savings to the end consumer - what specifically do the ESO attribute to this performance?	<p>The first quarter of the customer value opportunity metric was very successful due to the Network Access Planning team (NAP) always improving and learning from last year's performance. The success of last year's performance has encouraged the teams to continue to find better ways of doing their work, and continue to challenge the plans to find savings to benefit the end consumer and exceed the stretch target. This drives to the high values in the customer savings and indirect savings to the end consumer graphs.</p> <p>One major example is:</p>

		<p><i>A TO had a planned outage to work on one generator connected circuit (Originally planned 04/05 - 19/06). This was not aligned with the generator's outage and would have restricted the generator to 0MW for the whole duration of the outage. Closer to real time, it was noticed that the generator had a shutdown between 19/06 - 04/08 and the TO was requested to move the original planned outage to align with the generator outage. This action prevented the generator from shutting down for 40 days and avoided the need to constrain about 864,000 MWh of generation.</i></p>
1	<p>Role 1 p20: ESO say they are "in conversations with 18 participants who would like to use the VLP route". How advanced are these talks? Are we likely to see more VLPs imminently? What is the ESO doing to encourage VLPs in the BM?</p>	<p>The detail of these participants' current progress is as follows, in descending order of maturity.</p> <p>Application Completed:</p> <ul style="list-style-type: none"> 1 provider went live as a VLP on 23rd April 2020 <p>Process Started:</p> <ul style="list-style-type: none"> 2 providers are in Phase 2 – Registration in Control Room Systems and asset testing ahead of commissioning by week 21. 2 providers are in Phase 1 – Initial assessment on DNO asset checks <p>Pre-Process deliverables:</p> <ul style="list-style-type: none"> 1 provider has completed their Connection and Use of System Code (CUSC) accession and VLP Agreement. 4 providers are in progress with the team completing their CUSC accession and VLP Agreement. <p>Active Conversations:</p> <ul style="list-style-type: none"> 7 providers have/are showing interest. 1 provider intended to be a non-physical trader rather than a VLP and welcome to revisit this in the future. <p>We have been working on facilitating all types of participants in our BM system. We are currently learning from the application process and will ensure ongoing improvements.</p>
1	<p>Role 1 p20: why do the ESO anticipate delays to commissioning dates for some interconnectors?</p>	<p>In this case it is because the Interconnector Owner/Developer has informed NGENSO of a delay to their commissioning/go-live dates. This is most likely as their projects have suffered delays as a result of construction issues, or perhaps COVID-19. But we</p>

		are only acting on the information provided by them: as our response says, our activities are on track.
1	Role 1 p22: for "more clarity of operational decision-making", the ESO mention that to make a machine-readable version of the SOP it will require a "small BM change (4-6 FTE days) so will require prioritisation and potentially funding". What are the costs associated with this change?	We don't know the cost yet, the initial estimate was 4-6 FTE days, but this needs to be validated. We have submitted the high level requirements to our Rapid Development Team for assessment, it will then need to go to the Project Management Board (PMB) for approval and prioritisation. Whilst the costs are not expected to be significant, the BM team who would need to make the change are at full capacity, so this needs to be prioritised.
1	Role 1 p24: to check – are the weekly ENCC webinars replacing the Electricity Operational Forums the ESO would have had?	To date, we have held weekly ENCC webinars instead of the Electricity Operational Forum. We recognise that, during the period of uncertainty created by COVID-19, our stakeholders' value more frequent updates from us, and therefore we will continue to hold the weekly webinars as these have been well received. In addition, we will aim to hold the next Electricity Operational Forum virtually, giving the opportunity for more in-depth discussions on particular topics.
3	Metric 3C: when will this be reported on again, since this is a quarterly metric and it has been paused due to COVID-19?	We will be able to report at the end of Q2 as part of the mid year report.
3	What is the progress of 'pick up the phone'? Is there any feedback on this?	We encourage all colleagues to make regular phone calls to their customers and stakeholders. Any feedback relating to this strategy will be included in our mid year report. To date, anecdotally it has been well received.
3	Mersey Voltage Pathfinder: what is the progress of this deliverable – has this been delivered?	The work to determine if there is a requirement to go ahead with the Pennines Voltage Pathfinder is completed. We have found that there is a need to go ahead with the Pathfinder. The planned schedule of work was to start the tender Q3 20/21, however the funding approach to the required assessment works is under review, and may impact those timeframes. However, for now we are on track.

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)

2020	2020	2020	2020	2020	2020	2020	2020	2021	2021	2021	2021
May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
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. 2019-2020 Reporting & Meeting Dates

Month	Report Published (15 th WD)	Ofgem Meeting (20 th WD)	Report Type
May	22/05/2020	29/05/2020	
June	19/06/2020	26/06/2020	
July	21/07/2020	28/07/2020	Q1 Report
August	21/08/2020	01/09/2020	

September	21/09/2020	28/09/2020	
October	21/10/2020	28/10/2020	Half Year Report
November	20/11/2020	27/11/2020	
December	21/12/2020	03/01/2021	
January	22/01/2021	29/01/2021	Q3 Report
February	19/02/2021	26/02/2021	
March		26/03/2021	
April			
May			End of Year Report

Appendix 2 – Previously Closed Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
25	59	26 Jun	1 Jul	Ofgem	Send Panel report on 2019-20 performance to ESO	Closed
25	60	26 Jun	6 Jul	Ofgem	Ofgem to review the draft version of the Addendum before publishing	Closed