



GB TERRE Implementation Group

1 December 2021

Plan

Today

- Summary of findings from final report
- Q&A
- Next steps

Next steps

- Request feedback by **7 January 2022**

Notes

- Please use the raise hand function to ask questions.
- We are recording the meeting to aid minute capture. Anonymised minutes will be published on the ESO website. The recording will not be published.
- Slides, minutes and further industry information is published [here](#).

Summary of key findings

Overview of scenarios

Scenario	Location	Bidding	Interconnectors
Scenario 0 (counterfactual)			
Scenario 1	GB	Variable	
Scenario 2	GB	BM opportunity cost	
Scenario 2+	GB + France	BM opportunity cost	IFA 1
Scenario 2++	GB + France	BM opportunity cost	IFA 1 + IFA 2

Costs, benefits and 10 year net present value

	Cost		Benefit	NPV
	CAPEX*	Annual OPEX	Annual Savings	
Scenario 1	-£13.0m	-£4.0m	£26.0m	£164.2m
Scenario 2	-£13.0m	-£4.0m	£4.8m	-£6.1m
Scenario 2+	-£20.0m	-£4.0m	£9.1m	£21.7m
Scenario 2++	-£20.0m	-£4.0m	£9.4m	£24.1m

Considerations

- Scenario 1 (variable cost bidding) is seen as unlikely in the short to medium term
- Similarity to STOR and Slow Reserve could lead to some overlap, potentially adding complexity and limiting competition
- 10 year NPV of ESO's RII0-2 Response and Reserve reform proposals is £183m

The background of the slide is white and features several decorative yellow lines. In the top-left corner, there are several thin, curved lines that sweep upwards and to the right. In the bottom-left corner, there are several thin, curved lines that sweep downwards and to the right. On the right side of the slide, there are several thick, parallel diagonal lines that run from the bottom-left towards the top-right.

Questions & answers

Next steps

- Please send us any feedback by 7 January 2022
- Email box.balancingprogramme@nationalgrideso.com