

Pricing Proposal - Webinar

7 October 2021

Online Meeting via Teams.

Agenda

Subject

Welcome and Intro

Recap

Walkthrough

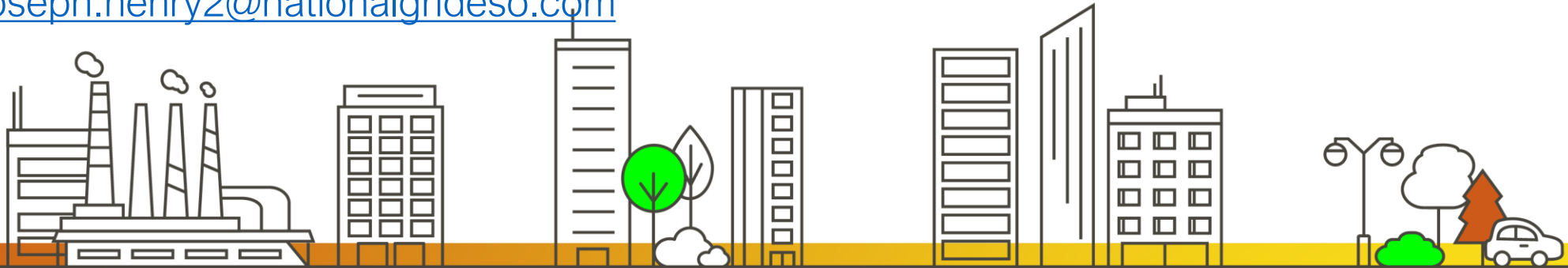
Q&A

Timelines

AOB

Welcome and Intro

- We will be using Microsoft Forms to collate your Feedback
- If you have any questions please use the [Microsoft Forms](#) function – QR code available on the next slide
- If you have any questions we cannot answer today, we will endeavour to answer this after the session
- We are really keen to get your feedback – give us as much information as possible!
- If you wish to raise any points privately, please contact joseph.henry2@nationalgrideso.com



QR Code for Survey



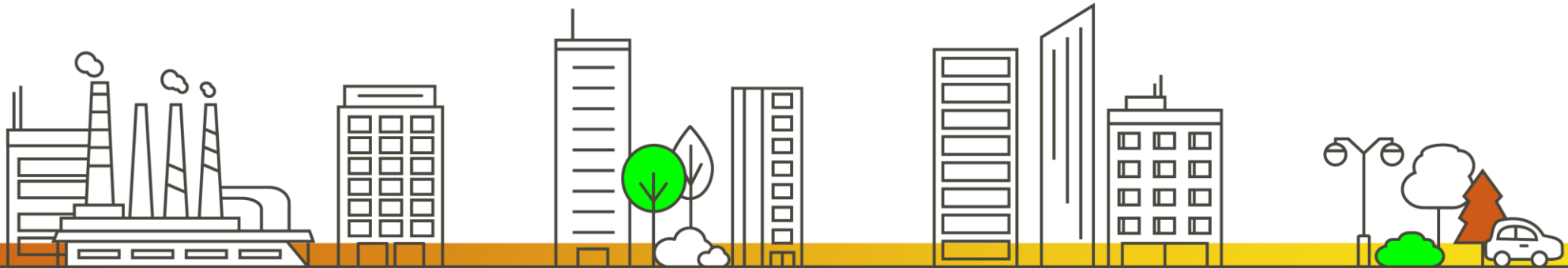
Question:

On a scale of 1 to 10, how would you rate your knowledge on the PP?



Background and Recap

- Article 6(4) of the Clean Energy Package (CEP) obliges TSOs to settle balancing energy (utilisation) on a pay-as-cleared (PAC) basis for standard and specific balancing products. Currently most balancing products in GB use a pay-as-bid (PAB) settlement for balancing energy.
- Prior to the UK's exit from the European Union, Acer had approved a European Pricing Proposal (EPP) that outlined when and how PAC would be applicable. The ESO have developed a Pricing Proposal (PP) that is specific to the GB market, negating the need for multiple derogations.
- **We are aiming for a more efficient use of Industry time and resource**



Background and Recap

- The ESO have been developing this Pricing Proposal with industry, taking in viewpoints on payment mechanisms.

How have we engaged industry?

- Webinar held in September – lots of useful feedback collated
- Bilateral conversations held with several organisations to understand their needs and views (if you would like one but haven't had one yet, please reach out).
- Reaching out to industry bodies

Question: What would you have liked us to do more or less of?

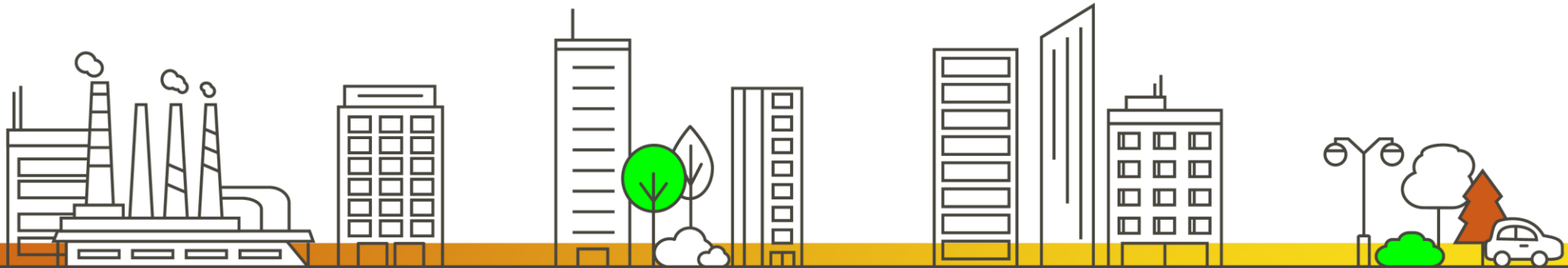


Purpose of Today

- We aim to take you on a “page-turn” of the document and to collate your views after. We will use this feedback to produce the final draft and consultation.

How will we be able to input?

- MS Forms
- Q&A
- Opportunity to input during the page turn



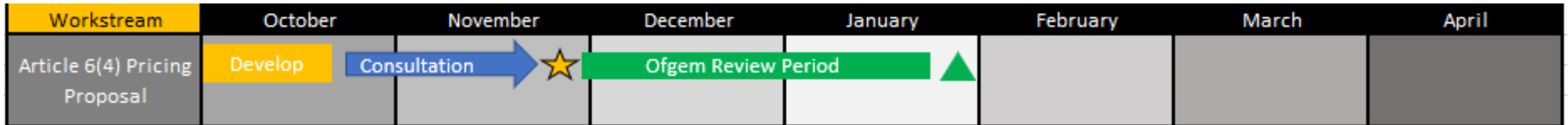
Page Turn

Questions:

- iii) Do you have any comments or observations on the introduction?
- iv) Do you have any comments or observations on the scope?
- v) Do you have any comments on the Definitions and Criteria?
- vi) Do you have any comments on the General Principles?
- vii) Do you have any comment on the treatment of BM BOAs?
- viii) Do you have any broader or overarching comments on the PP Drafting?



Updated Timelines



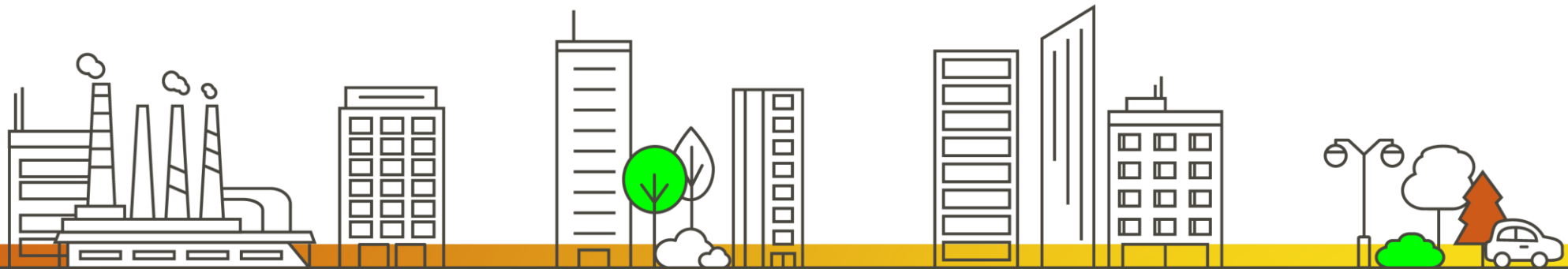
Question: Do you agree with the proposed timelines?

| Key | Consultation | | |
|-----|------------------|-------------------------------|--|
| | ESO Input | | |
| | Ofgem Input | | |
| | Progress Updates | | |
| | Draft Sharing | | |
| | ✕ | Ofgem/ESO Interaction | |
| | ★ | Submission | |
| | ▲ | Decision | |
| | ➡ | Consultation related activity | |



Impacts on your organisation

Question: What is the impact of implementing Pay as Cleared for your organisation? Please provide detail for systems, finance and operations.



Q&A



AOB

Question: Do you have any general feedback or questions?

On a scale of 1-10, how would you rate your knowledge on the Pricing Proposal?

How likely are you to recommend this webinar to a colleague or friend (please give a score between 1 and 10)?

