

# ESO draft RIIO-2 BP2 consultation questions

Our BP2 consultation questions are set out below. We have grouped these in alignment to our main Business Plan document as follows:

- Role 1: Control centre operations
- Role 2: Market development & transactions
- Role 3: System insight, planning and network development
- Cross-cutting and overarching questions (including IT, Innovation and cross-role activities)
- Additional feedback

## How to respond to our consultation

To assist stakeholders in responding to our consultation we have developed a consultation proforma which contains all the questions in downloadable format on our website. You can also respond using MS Forms at <https://forms.office.com/r/JS0J63vXuH>

Please send your response electronically to **box.ESO.RIIO2@nationalgrideso.com**

## Role 1 Control Centre Operations

### New and materially changed

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- 1 In BP2, we will continue to open restoration services to more technologies and implement the Electricity System Restoration Standard (ESRS) which came into effect on 19 October 2021. This will allow quicker restoration and compliance with the agreed restoration times of the ESRS.

Do you have any comments about our proposed plans for A3, particularly in relation to the sub-activity A3.2 – Electricity System Restoration standard?

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- 2 In April 2021, Ofgem introduced a new Licence obligation for us to monitor activity in Balancing Services markets. We will monitor Balancing Services markets for potential breaches of the Grid Code, investigating where necessary and raising concerns to Ofgem where appropriate.

Do you have any comments about our proposed plans for A18 - market monitoring?

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- 2 In April 2021, Ofgem introduced a new Licence obligation for us to monitor activity in Balancing Services markets. We will monitor Balancing Services markets for potential breaches of the Grid Code, investigating where necessary and raising concerns to Ofgem where appropriate.

Do you have any comments about our proposed plans for A18 - market monitoring?

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- 3 At the start of the BP2 period, we will have operationalised key elements of our Data and Analytics Hub & Spoke model. We anticipate that our operating model will evolve over the BP2 period as we bring more complex data products online.

Do you have any comments about our proposed plans for A19 - Data and analytics operating model?

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### Activities that are not new or materially changed

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- 4 Do have any comments about our proposals relating to the following activities which remain unchanged for BP2?  
A2 Control Centre Training and Simulation activity  
A17 Open Data and Transparency

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## Role 2: Market development & transactions

### New and materially changed

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- 5 For Great Britain to achieve a fully decarbonised power system by 2035, it is vital that ESO balancing and ancillary services markets are fit for purpose. This means we build on the reforms delivered in BP1 by further improving the functionality of these markets, increasing accessibility for market participants and improving the efficiency of our procurement across services. We also must continue to reform and develop the right portfolio of markets to facilitate a smooth transition to net zero.

Do you agree or have any comments about our proposed plans for A4, particularly in relation to sub-activity A4.6 - balancing and ancillary services market reform?

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- 6 Do you have any comments about our proposed plans for A5?

We are seeking feedback particularly in relation to the new sub-activity A5.4 - long-term capacity adequacy. This sub-activity will explore options for the capacity mix that could deliver capacity adequacy through the 2030s to support policy development and longer-term decision-making to meet net zero.

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- 7 Do you have any comments about our proposed plans for A6, particularly in relation to the following new / materially changed sub-activities for BP2?
- A6.1: Code management / market development and change
  - A6.3: Industry revenue management
  - A6.4: Transform the process to amend our codes
  - (New): A6.7: Fixed BSUOS tariff setting
  - (New): A6.8: Digitalisation of codes
  - (New): A6.9 Whole system codes reform

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- 8 We have described how we will deliver the Net Zero Market Reform project through analysis and trials, stakeholder engagement and working alongside BEIS and Ofgem.

Do you agree with this approach and is there anything else you'd expect us to be doing that we have not already outlined?

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- 9 The new cross-role activity, Role in Europe, has been created for BP2 to ensure all activities regarding cross-border and interconnectors are working towards the same purpose – not just those within Role 2 but also those in Role 1 (e.g., developing the right data and systems to optimise a highly interconnected system) and Role 3 (e.g., coordination and planning of offshore networks and multi-purpose interconnectors (MPIs).

Do you have any comments about the plans we are proposing relating to our Role in Europe?

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### **Role 3: System insight, planning and network development**

#### **New and materially changed**

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- 10 Within A15.9 we have created a new deliverable (D15.9.5) replacing the existing deliverables, which will focus on engaging with stakeholders on the implementation of technologies for effective zero carbon operation.

Do you have any comments on these proposals?

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- 11 A13.5 FES: Integrating with other networks has developed since our initial RIIO-2 five-year plan. We have introduced a new deliverable reflecting our commitment to ongoing development of the new energy demand model, with a development plan to be in place by the end of 2023/24.

Do you have any comments on these proposals?

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- 12 A14 Take a whole electricity system approach to connections: The Customer Connections Team manages connection contracts and provides connection offers to new customers, an activity which has increased significantly in volume and complexity in recent years.

Do you have any comments on the changes across this activity proposed to meet this increase in volume and complexity?

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- 13 A8.4 Early Competition Onshore - this sub-activity has developed since our BP1. Do you agree with the pace of change and assumptions made for this activity and do you have any further comments on this activity?
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### Activities that are not new or materially changed

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- 14 Within The following activities are remaining the same or similar to those proposed in the RIIO-2 five-year plan within Role 3.

A7: Network Development

A8: Pathfinders

A9: Extend NOA approach to end-of-life asset replacement decisions and connections wider works

A11: Enhanced analytical capabilities

A12: SQSS Review with regard to proposed deliverables and timeline

A15.1: System operability framework

A15.2: Provide technical support to the connections process

A15.4: Manage operational data and modelling

A15.7: EFC capability

A16: Network Access Planning

Please provide us with any feedback you have on these proposals.

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### Cross-cutting and overarching questions:

#### IT

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- 15 Do you have any feedback on our IT proposals?
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- 16 Are we providing adequate information on our IT plans to allow you to make an informed view of costs and changes in the BP2? How could we do better?
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#### Innovation

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- 17 Do you agree with the level of ambition related to our Innovation plans and the ask for additional funding to support innovation?
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**Offshore coordination**

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18 Offshore Coordination is a new area of work for BP2.

Do you agree with the pace of change and assumptions made for this activity and do you have any further comments?

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**Network Planning Review**

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19 Network Planning Review is a new area of work for BP2.

Do you agree with the pace of change and assumptions made for this activity and do you have any further comments?

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**Facilitating Distributed Flexibility**

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20 Our work on facilitating distributed flexibility, including supporting the DSO transition, features across new or materially changed activities in all three roles of our business plan.

A1.5: Operational coordination with DER and DSO

A4.5 Facilitate whole electricity system market access for DER

A15.8 Facilitate distributed flexibility and whole electricity system alignment

Are our proposals in these areas sufficient to support the move towards net zero? Do you have any further comments on these activities?

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**Other feedback**

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21 Do you have any other comments on our BP2 proposals not covered elsewhere in our consultation questions?

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