Minutes

Meeting name	Balancing Services Standing Group (BSSG)
Date of meeting	1st May 2014
Location	National Grid House, Warwick

Attendees

Name	Initials	Company
Mike Edgar	ME	National Grid
Jade Clarke	JC	National Grid (Technical Secretary)
Graham Stein	GS	National Grid
Ivan Kileff	IK	National Grid
Zoltan Zavody	ZZ	RenewableUK
Paul Hinksman	PH	RWE
Peter Bolitho	PB	Waters Wye Associates
Paul Jones	PJ	E-ON
Simon Lord	SL	GDF Suez
Hannah McKinney	HM	Dong
Simon Reid	SR	Scottish Power
Cem Suleyman (Dial-in)	CS	Drax
Campbell McDonald (Dial-in)	CM	SSE

Apologies

Name	Initials	Company

All presentations and supporting papers for the BSSG meeting can be found at:

http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/Balancing-Services-standing-group/

1 Introductions/Apologies for Absence

1. The Chair welcomed the group and introduced everyone around the room.

2 Review of Actions & Minutes from previous meeting

2. JC noted that the previous minutes had been approved prior to the meeting and published on the National Grid website.

3. ***Action: JC to reissue minutes from previous BSSG meeting***. - Complete

4. ***Action: RY to take GG's feedback to GS about EU network codes implication on rapid frequency response***. - *Complete*

5. ***Action: RY to seek legal advice on disclosing information on bilateral contracts*** - Complete

6. ***Action: RY to check commercial agreement compliance with CUSC with CUSC experts***. - Complete

7. ***Action: All parties to check and contact National Grid if their contact details for BSUoS need to be updated*** - Complete

8. ***Action: All parties to consider signing up to BSUoS charging subscriber email list*** – Complete

9. CM questioned to what extent European codes will impact the existing mandatory services and whether any change envisaged by the BSSG would have be reworked in the light of European Codes.

10. ME stated that it is his assumption that these payments will continue as the way services are defined in the codes are quite generic.

    Action: ME to find out the impact of EU Codes on Mandatory Services payments.

11. ZZ stated that it would be worth having an update on the progress on European Codes within the BSSG meeting. ME stated that when there is something relevant for EU Codes it would be brought to the BSSG to discuss.

3 Rapid Frequency Response

Manufacturer feedback

12. GS stated that the BSSG had been given an agenda item from the Grid Code Panel to consider how mandatory service requirements might develop for Rapid Frequency Response from non-synchronous generation.

13. The proposals under discussion centred on a change to the definition of Primary Response such that where the current requirement referred to 10 seconds, the new requirement would refer to 5 seconds for non-synchronous generation.

14. GS noted that the Grid Code Frequency Response Technical Sub-group, which included a number of Wind Turbine and HVDC Convertor manufacturer representatives, had been asked for their views on their ability to deliver Rapid Frequency Response in 2011. The exercise had been repeated to provide a more up to date view. A summary of the responses that were received were presented to the BSSG and are as follows;

    - 5 respondents stated that current equipment could meet the requirements.
    - 3 respondents stated that the capability was achievable, but further development was required.
    - 1 respondent stated that it was not possible.
    - Where development timescales were quoted, this was at least two years.
    - 2 respondents caveat-ed their replies in relation to Active Power Range
    - 1 respondent highlighted increased operating costs.

15. GS stated that manufacturers generally noted that a 5 second delivery of Frequency Response is the standard they are currently working to, and noted that National Grid have also seen this in their testing. There was a general consensus from the Grid Code Frequency Response Technical Sub-Group that the technical requirements could be met subject to reasonable development timescales. HM asked GS what National Grid saw as a reasonable development timescale? GS stated that National Grid would consider 2-3 years reasonable for a Mandatory Requirement.

16. CM noted that although the Grid Code Frequency Response Technical Sub-Group say that this Mandatory Requirement would be achievable and that a turbine may be capable of providing Rapid Frequency Response, this may not have been reflected in the tower design. Therefore the supporting equipment may not be able to handle a Mandatory Rapid Frequency Response and providing such a service may affect the warranty of such equipment.

17. ME stated that there are questions about whether this Mandatory Service should apply to existing plant, as it is likely to be cheaper for new plant. CM stated that whilst new plant may be the cheapest solution for GB as a whole. CM stated that although the Technical Sub-Group came up with this suggestion of a Mandatory service from Wind generation, there may be cheaper alternatives to be considered.

18. GS re-capped the list of recommendations that come out of the Frequency Response Technical Sub-Group which were;

    - Rapid Frequency Response for non-synchronous generators
    - Delay and Ramping parameters
    - Active Power ranges

19. GS stated that it was the Sub-Groups intention to progress this package of work as far as possible using the BSSG, although other forums could be used if it is more appropriate. It was requested by the Sub-Group that the BSSG consider how procurement would work for Frequency Response from Wind generation.

20. SL noted that if National Grid redefines the service, they run the risk of forcing everyone into a design to meet a certain requirement, it is important to have lots of plants doing different things in order to have a good system.

21. GS noted that the industry has told us that we should investigate synthetic inertia and that the Rapid Frequency Response option that would be a simpler solution. ME suggested that this would be a more appropriate discussion for the Grid Code.

22. Some BSSG members did not think that the Grid Code Frequency Response Technical Sub-Group have fully evaluated the alternative solutions (such as Embedded generation and relay settings) for Frequency Response and that currently the BSSG is not the appropriate forum to take this forward.

23. It was suggested that the Grid Code Frequency Response Technical Sub-Group should continue assessing the potential solutions and provide a cost-benefit analysis to the BSSG in order for them to be able to consider how procurement would work for Rapid Frequency Response from Wind generators.

Action: National grid to review what aspects of the mandatory Rapid Frequency Response service we take forward with BSSG, mindful of the status of the Grid Code Frequency Response Technical Sub-Group.

4 Response Energy Payment

24. IK presented a list of historic changes to the Response Energy Payment and a list of potential options for change. It has been recognised that the current Response Energy Payment is not suitable for renewable generators who are subject to ROC payments and National Grid have been working with the industry via BSSG to explore how to address this issue.

25. SL stated that in his view the only option that was viable is the option that Rebecca Yang from National Grid presented to the BSSG earlier in the year, which proposed the Response Energy Payment for Wind to be reversed.

26. ME noted that for Option 3 generators would submit the holding price and the Response Energy Payment price would be used to create a revised holding price that would be entered into National Grid's optimisation process. Post event it would be settled on energy price and volume provided.

27. PJ noted that from his perspective, if this issue needs addressing, it needs to be addressed longer term and the initial situation doesn't seem to be requiring something to be done right now.

28. PJ asked if this is a priority at the moment. ME stated that the National Grid are trying to look at the framework needed for 2 years time when wind will be providing more balancing services.

29. SL suggested that if you allow individuals to submit their own Response Energy Payment price, this would distort the system and until National Grid has a better option than where we are currently, no changes should be made.

30. It was recognised by the BSSG that there were a number of potential options that had been discussed, all with differing benefits and issues associated with them. Any potential solution would likely represent a compromise.

31. SL stated that there will be the opportunity for further development within the CUSC Modification process and this would probably be sent to a Workgroup. The BSSG agreed that a CUSC Modification Proposal should be drafted and circulated around the group before submission to the CUSC Panel.

Action: ME to circulate draft CUSC Modification to BSSG for comment.

Action: ME to raise CUSC Modification on Response Energy Payment.

5 Future meetings and discussion topics

32. The BSSG agreed that with the Response Energy Payment CUSC Modification being proposed and awaiting work from the Grid Code Frequency Response Technical Sub-Group, the BSSG should be put on hold for the time being.

33. SL suggested that the BSSG should report on the topics that had been discussed from the Terms of Reference and submit a paper to the CUSC Panel to request to suspend the BSSG for the time being pending developments in Rapid Frequency Response from the Grid Code Technical Sub-group.

34. The BSSG agreed this as a suitable way forward.

6 AOB

35. There were no items raised under AOB at this meeting.

7 Next meeting

36. The BSSG currently do not have any proposed further meetings.