Balancing Services Standing Group (BSSG)
Interconnector Frequency Response Working Group
Minutes from Meeting 12th April 2010

Attendees

Present

David Smith (DS), National Grid – Chair
Thomas Derry (TD), National Grid - Technical Secretary
Neil Rowley (NR), National Grid – IC Frequency Response Proposal Lead
John Lucas (JL), Elexon
Paul McGuckin (PMc), Moyle Interconnector (teleconference)
Raoul Thulin (RT), RWE
Simon Lord (SL), First Hydro Company
Rob Smith (RS), BritNed (teleconference)
Craig Dyke (CD), National Grid
Shafqat Ali (SA), National Grid
Rheka Patel (RP), Waters Wye Associates Ltd
Louise Schmitz (LS), EDF
Emma Clark (EC), National Grid
Chris Proudfoot (CP), Centrica
Jenny Sinclair (JS), SP (teleconference)

Apologies

Mark Lane (ML), Eir Grid
Simon Mcveigh (SM), National Grid, Interconnector Frequency Response
Hannah Morgan (HM), National Grid, Network Operations
Paddy Larkin (PL), Mutual Energy
Rodney Doyle (RD), Eir Grid
Paul Mott (PM), EDF
Claire Maxim (CM) EON UK
Garth Graham (GG), SSE

1. Introductions

Introductions were made around the group as there were several new people present. DS went over the agenda for the day and fire drill.

2. Approval of Minutes

The group had no further comments regarding the minutes from the meeting on 3rd March 2010 and they were approved. LS has not been involved in the group previously and had not seen a copy of the minutes.

Circulate copy of meeting minutes from 3rd March 2010 to LS.

3. Revised BSSG Terms of Reference

DS ran through the Terms of Reference highlighting to the group the scope and objectives of the standing group.

Group had no comments on the Terms of Reference

4. Interconnector Frequency Response

NR summarised the history of the previous meetings up to this date and presented current progress with issues raised by the group.

- Action 1: National Grid sent request to OFGEM, as of 26th March 2010, for their view on whether Interconnectors can supply Frequency Response and are now waiting for a response.

- Action 2: Use of SEL for FR. In the previous meeting (3rd March 2010) RT queried the use of SEL within the MSA. NR informed the group that SEL is only specified within a Mandatory FR guide contained on the NG website and that SEL is a trigger point for payment. The group noted that FR at SEL is an issue and that there is a lack of tie in between De-load and FR. CP highlighted that the Ancillary Services matrix will be very clear about whether a generator can offer FR at SEL but overall the group agreed that this is not an Interconnector related issue and should be looked at within the CUSC.

  Group noted that this is a wider issue than outside of the remit of the standing group but recommended it should be raised in the Working Group report as a potential future work stream.

- Action 3: NR informed the group that the De-load definition doesn't appear to need to be changed in the Grid Code as it only relates to Black Start. It is only the CUSC De-load definition that has any relation to FR.

  Group recommend not making a change to the Grid Code definition of De-load.

- Action 4: National Grid to investigate if PPMs could fall within the Grid Code definition intended for ICs (DC Converter Stations). NG does not believe PPM can be caught by the DC Converter Station definition as it is specific enough to rule out PPM.

  Group agreed that PPM would not fall within Grid Code definitions intended for IC's.

- Action 5: National Grid circulated the proposed CUSC legal drafting for comments as of 22nd March 2010. Comments were received from 2 group members on the following 3 areas.

The issue of whether Frequency provision should be import only or import and export was raised. SL made a comparison to pump storage whereby the requirement is only for pump storage to provide mandatory frequency response when generating. SL also noted technical restrictions on why frequency response could not be provided when pumping. CP questioned whether it would be sensible to require an interconnector to provide mandatory frequency response when exporting since in the future such response provision may be very important (greater levels of inflexible generation). NR noted that there was nothing to stop an interconnector providing such response via a commercial balancing service. DS noted that the joint Grid Code / BSSG frequency response working group was looking at the wider question of future mandatory frequency response provision and perhaps this question should be answered within this group. DS also noted that it would be consistent with conventional generation for an interconnector to only provide frequency response when importing. DS asked whether the group would be comfortable with taking this position forward (mandatory response on import only and the wider issue to be considered by frequency response working group), the group agreed this was a minded to position but asked for further time to consider.

Group agreed that this fundamental issue should be noted in Working Group report. NR to examine and circulate any other relevant Grid Code frequency response sections not referenced within CM's note as regards to Interconnectors providing frequency response when exporting from the GB.

NR clarified why the deload definition was outside section 4 (unique FPN equivalent, reference program and therefore each de-load definition would be on an IC by IC basis). NR continued to say that what could be done was to specify the principle of capability – physical position within section 4 and the exact parameter could be within the MSA. The group agreed with this approach, and the legal text is being modified to reflect this.

NR described the definition of deload and RT queried if MEL were below FPN would deload be a negative number. NG stated that they believe that the settlement systems would treat this as a zero deload but will investigate whether this is the case and ensure that the working group report notes the issue. NR noted that this point could affect any provider and is therefore not directly related to Interconnectors.

Group agreed with general principal subject to clarification of how negatives are treated and legal text.

Warranty relating the MSA to the IEA. RT queried if the CUSC has any view since the IEA handles imbalance and that they aren't a contracting party or owner. NR clarified that the warranty clause is to tie the IEA to user provision obligations.

Group requested National Grid to circulate their view of the draft legal text.

- Action 6 - JL discussed the costs associated with changes to the settlement system. JL outlined the three options considered and there relative costs.

    - Option1 - NG assigns the ABSVD to the correct IEA BM Unit i.e Production or Consumption.
      Impact assessment confirms that this would not require any settlement system changes. However this is not the preferred option as it places obligations on National Grid for which they don't have the information to perform and is likely to require significant manual processes.

    - Option 2 - National Grid notifies the ABSVD to SAA, and SAA allocates it to the correct BM Unit.
      Option assumes no change in file format from National Grid to SAA i.e. the ABSVD would be provided against one of the IEA BM Units, but the SAA would automatically reallocate it to the correct one. Development costs are approximately £12,000 plus software acceptance costs, which could add significantly to this figure, that Elexon are still in discussion about.

    - Option 3 - Remove IEA requirement to have two BM Units. This would remove the problem of trying to allocate energy to the correct BM Unit and would have comparable system development costs to option 2 (~£12,000). There would need to be software acceptance tests but it is anticipated this would be lower than option 2 as the calculation is simplified.

  JL suggested that it may be useful to put this issue through a BSC Modification Group to consider whether there are other requirements to allocate energy to the IEA. Both DS and RS noted concerns about getting it through an issue group and resolved in time for BritNed commercial Go-Live.

  National Grid to raise the issue at the next BSC panel and highlight the timely nature of the situation.

- Action 7: JL discussed BMRS information provision options. JL noted that no detailed assessment as been completed yet but noted that costs are likely to be tens of thousands. The key driver with regards to the BMRS costs is whether the system would need changing to report costs against an Interconnector, or whether these variables could be reported against a BM Unit i.e. one of the IEA BM Units acting as a proxy for the Interconnector as a whole.

SL noted that there should be some wording for National Grid to have an obligation to publish something if BMRS changes are deemed to costly.

National Grid to look at potential backup clause if BMRS changes cannot be implemented.

5. Outstanding Actions from previous meeting

There were no outstanding actions from the previous meeting.

6. Next Steps (inc Future Meetings)

DS summarised the next steps which were:

- Review the legal text
- Look into BSC issues group
- Have a draft WG report in a couple of weeks prior to May CUSC Panel
- Look at timetable to determine way forward and discuss with the Panel

LS requested that meeting dates are sent out for the upcoming year if possible. DS agreed that meeting dates would be sent out as soon as they are arranged. GG also requested that meetings for BSSG/CBSG to not be held on Monday's.

Next meeting 17th May at National Grid Warwick (note this was already booked in and we will look to move future meetings away from a Monday)

DS referred to the terms of reference and highlighted the intention to start considering the next actions on the BSSG terms of reference as the interconnector frequency response work comes to an end.

7. AOB

No AOB