

Renewable Generation Forecasting



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Background

- NGET is developing SO Incentives for the RIIO-T1 period
 - Outputs based incentives in line with RIIO framework
- Plan to be submitted to Ofgem by 31 May 2012
 - Ofgem to publish its Initial Proposals in July 2012
- We engaged with the industry in a workshop on 23 February
 - Summary report can be found on our website:
http://www.nationalgrid.com/NR/rdonlyres/20DE4188-C623-45F3-9DA2-4E6E87987E6C/52393/StakeholderEngagementWorkshop_Summary_Report_March2012Final.pdf
- Looking to further ascertain the value to the industry of information provision

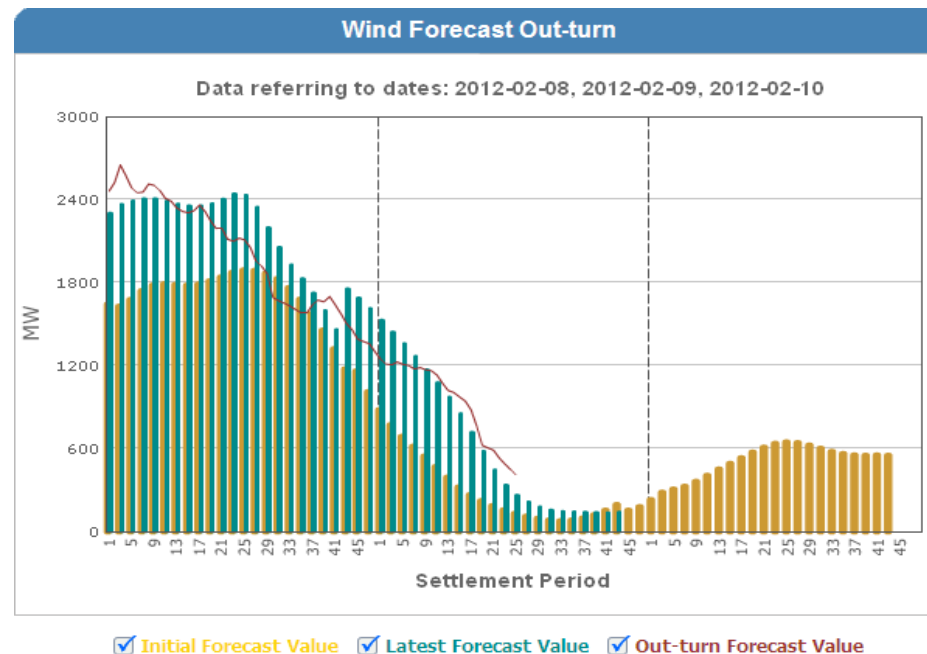
Published Consultation

- We recently published a mini consultation on renewable generation forecasting and information provision, including:
 1. Renewable generation forecasting
 2. Renewable generation information provision
 3. Other information provision

- Closing date – **Wednesday 9 May 2012**
- SO Incentives area of the website - <http://www.nationalgrid.com/uk/Electricity/soincentives/IndustryWork/>
- Please send your responses to soincentives@nationalgrid.com

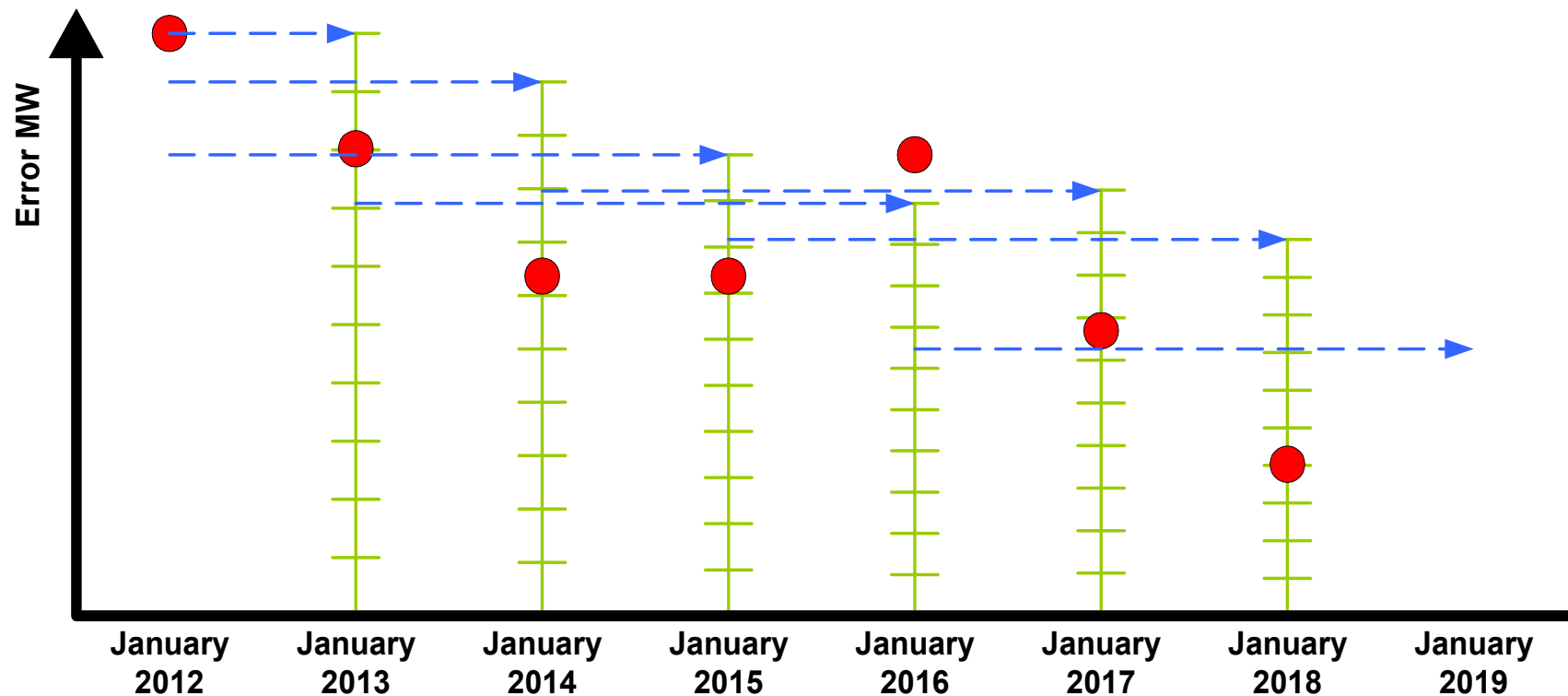
Wind Generation Forecasting

- Forecasts currently produced from 21:00 current day to 21:00 D+2 (www.bmreports.com)
 - Initial, latest and out-turn forecast values presented
- **Currently no explicit SO incentive to forecast wind**
 - Implicit incentive within BSIS e.g. reserve and constraints



Wind Forecasting Incentive?

- Proposed financial incentive based on monthly target determined by historic average of previous years (see below illustration)
- Other forecasting considerations e.g. granularity of forecasts, varying lead times etc



Renewable Generation Info Provision

- Currently only wind power forecasts are published
- This information could be expanded to include other wind-related detail e.g. specific wind cut-out information including confidence levels
- More information potentially provided as other renewable generation types become more significant e.g. solar, tidal
- What would be the value of this information to the industry?



Other Information Provision

- Our role as NETSO includes facilitating the market
- We currently provide a significant amount of information to the market
 - Some are an obligation to provide
 - Others because our stakeholders have requested them e.g. Summer outlook report, monthly balancing services summary (MBSS)
- We continue to receive requests with regard to BSUoS forecasting and related information
- What further information would the industry find valuable?



Summary

- A number of questions posed within our consultation on:
 - Renewable generation forecasting
 - Renewable generation information provision
 - Other information provision
- Closing date of consultation – **Wednesday 9 May 2012**
- Please send your responses to soincentive@nationalgrid.com

We would welcome your comments and views to assist us with developing this area of SO Incentives

- Please get in touch – katharine.clench@nationalgrid.com