

Minutes

Meeting name	Commercial Balancing Services Group
Date of meeting	25 th April 2012
Time	10:00 – 12.00
Location	National Grid House, Warwick

Attendees

Name	Initials	Company
Mike Edgar	ME	Chair
Louise McGoldrick	LM	Technical Secretary
Steve Lam	SL	National Grid
Ivan Kileff	IK	National Grid
Tim Truscott	TT	National Grid
Katharine Clench	KC	National Grid
Sarah Owen	SO	Centrica
John Costa	JC	EDF
Cem Suleyman	CS	Drax
Guy Philips	GP	E.ON
Simon Peter Reid	SR	Scottish Power – via teleconference
Zoltan Zavody	ZZ	renewableUK

Apologies

Name	Initials	Company
Lisa Waters	LW	Waters Wye
Garth Graham	GG	SSE
Allan Kelly	AK	SP Renewables
Kathryn Coffin	KC	Elexon
Raoul Thulin	RT	RWE

1 Introductions/Apologies for Absence

1. Introductions were made around the group and ME confirmed the meetings agenda.

2 Minutes from previous meeting

2. The draft minutes of the Commercial Balancing Services Group meeting held on the 07th March 2012 were approved with no further comments. This will be made available on the National Grid Website.

3 Review of Actions

3. **Action 5:** *Suspend Deemed Output issue and await discussions in EMR*

Status: Ongoing

4. **Action 11:** *NGET to investigate the provision in the Balancing Services Code K3.3.1 to establish whether a BELLA can participate within the BM.*

Update: SL confirmed that Bilateral Embedded Licence Exemptible Large Power Station Agreements (BELLA) were created to enable connections to connect to the grid with minimum obligations. All Generators that wish to participate in the Balancing Mechanism (BM) are required to install Electronic Dispatch Logging (EDL), however, BELLAs do not participate in the BM and therefore are not required to install EDL. The group debated whether a BELLA should switch to a Bilateral Embedded Generation Agreement (BEGA) to enable participation in the BM. SL confirmed that section K3.3.1 within the Balancing Services Code (BSC) may allow a BELLA to participate within the BM by registering an additional exempt export BM Unit as Central Volume Allocation (CVA). However, on a practical basis, the CUSC and the Grid Code were not drafted to specifically allow this as BELLAs were designed for parties who did not wish to be a BM Unit. SL added that the codes would need to be clarified if BELLAs started to participate within the BM, to ensure that the relevant technical obligations for the generator would be in place. The group discussed the potential reasons for parties to be reluctant to convert from BELLAs to BEGAs including the perception that all sizes of BEGA were liable for system charges. SL confirmed that sub 100MW BEGAs are not liable for system charges such charges as they are licence exemptable and therefore would have same use of system liabilities as a BELLA. The group concluded that a comparison between sub 100MW BEGA and BELLA would be useful to demonstrate the differences (including charging) between the two agreements.

Status: Closed

New Action 17: SL to develop a comparison table (including a charging table) to demonstrate the differences between a sub 100MW BEGA and BELLA's.

5. **Action 12:** *Establish whether there are any generators which do not meet the 2 minute requirement*

IK confirmed that are a number of generators which are working towards complying with the parameters

Status: Closed

6. **Action 13:** Investigate whether wind generators require a minimum zero time.

Following a review of the Dynamic Parameters, clarification was sought as to why some wind generators required a minimum zero time. Initial investigations indicate that some wind generators would require time to resynchronise the machines however, it was unclear as to whether there is a technical issue associated with compliance. SR mentioned that perhaps the Customer Account Managers should discuss the Dynamic Parameters with wind generators and inform them of the current Grid Code parameters. It was agreed that all dynamic parameters remain fit for purpose for intermittent generators but the group noted that not all wind generators would necessarily use all of the parameters.

7. **Action 14:** NGET to develop “power available signal” proposal in more detail and consider different scenarios to establish whether the “power available signal” should be used for settlement when the plant is generating above PN.

Status Agenda Item 4 Closed

- 8 **Action 16:** NGET to confirm what information is currently being published on the BMRS.

Update: National Grid confirmed that the forward trades such as Schedule 7a Trades as set out under the Grid Trade Master Agreement (GTMA) are published at a high level on our website and the BMRS under disaggregated BSAD data. As these trades are confidential, it would require Authority approval in order to produce additional information about such trades. Due to the confidentiality issues the group confirmed that they did not want to pursue disaggregating the information. However, the group noted that not all CBSG members were present and acknowledged that the issue could be raised again at the next meeting.

Status: Closed

4 Power Available Signal

9. SL outlined a number of different scenarios to establish how the power available signal could be used for settlement. IK confirmed that the power available signal could potentially give an indication of how much “head” room was on the system and give a better estimate of loss of opportunity.
10. The group then considered how to take the power available signal forward and noted the following:
- A requirement for a standard technical specification for the power available signal across all wind farms
 - Development of a common industry algorithm
 - Identification of data items and identification of who will require access to them
 - Further consideration as to which Codes and Industry Groups are impacted
 - Consideration of the trade off between the accuracy of the power available signal and investment to implement such a system
 - Quantification of the issue and impact on security of supply
 - That a generator would continue to give accurate PN’s and be settled against the PN.

The group also discussed the governance for the power available signal and the interaction with the high-wind shut-down. SL agreed to look into the Industry group interfaces.

New Action 18: NGET to initially consider which aspects will go into a Power Available Signal and confirm Code/ Industry group interfaces.

5 Wind Power Forecasting Service

11. KC gave an overview on a renewable generation forecasting incentive proposal and advised that a mini consultation had recently been published on this subject. The closing date for responses was 9th May 2012. KC acknowledged that the consultation period is shorter than normal due to the timescales associated with our SO Incentives submission to Ofgem on 31 May but wanted to ensure that stakeholder views are captured.
12. Following the overview the group questioned whether National Grid was best placed to offer this service or would do anything differently if such an incentive were to be implemented. However, the group noted that there could be benefits in such a service and it tied in with the high wind speed shutdown work being progressed by the Grid Code. KC explained that the incentive would allow National Grid to place more emphasis on, and detail to, the information that is presented to the industry on wind related system operation. This would potentially include more resource, management focus and IS development to ensure that valuable information is provided to the industry in these areas.
13. CBSG mentioned that forecasting could be closer to real time and that zonal forecasts could be considered to be more valuable than national forecasts. One Workgroup member asked if there was scope for looking at wider considerations such as the benefits of later gate closure when we have more accurate closer-to-real-time forecasts. IK commented on the accuracy of PN predicted and a later gate closure and that it was unlikely to be worth the cost of changing the industry framework. CBSG also queried the accuracy of wind forecasting, as day ahead forecasting can be inaccurate due to wind volatility. The group questioned the objective of the SO incentive, stating that rather than being related to accurate forecasting it should consider how National Grid use the forecasts to take more efficient actions when balancing the system. The group were also interested to understand to what level the forecasts could be created e.g could they capture wind farm/ BM Unit level and include an embedded wind element.
14. In terms of other information provision incentives, the group set out that it would welcome long term BSUoS forecasts (and an incentive to do so) if National Grid considered that this is something it can achieve.
15. KC acknowledged the groups views and welcomed further responses to the consultation. KC also set out that work on the renewable forecasting and information provision incentives would be progressed over the following weeks up to the submission date of 31 May.

5 Any Other Business

16. There was no AOB from the group.