

To all Interested Parties

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10th December 2018

Open Letter – Update on ESO Assessment of Costs and Benefits Associated with GC0068 and P297

We wrote to you on [26th October](#) setting out our plans to undertake an analysis to identify costs and benefits to elements of Grid Code modification GC0068 ([New and Revised Unit Data and Instructions](#)) and Balancing and Settlement Code modification P297 ([Receipt and Publication of New and Revised Dynamic Data Items](#)). Within this letter we committed to publishing a Cost Benefit Analysis (CBA) by the end of December 2018. However, I write to you today to explain why this date has had to be delayed to early 2019.

The information feeding into this CBA falls into three categories, evidence submitted from stakeholders, ESO costs, and ESO analysis on potential benefits. The first two of these are complete. In terms of the [call for evidence](#) we received four responses, and would like to thank those market participants who offered their views.

The third element of the CBA development involves specialist modelling and is therefore being undertaken by our Market Insights team within the ESO. Due to recent market developments, all available resources within the Market Insights team have had to be focused on an unexpected but necessary piece of work during November and December. We are unable to go into the specifics of this work in this letter but we have spoken to Ofgem who are aware of the situation. Unfortunately, this means that the CBA work related to P297 has been delayed.

In terms of our revised plans, we are confident that we can publish the CBA the week commencing 7th January 2019 and this revised timeline is set out in Appendix 1. We understand that Ofgem and wider industry stakeholders will find this delay as disappointing as we do. However, we believe that prioritising our specialist analysis resource on the work outlined above was the best decision for the industry and hope that you will support this decision.

If you would like to discuss any element of this letter in more detail, please contact myself or Jon Wisdom (jon.wisdom@nationalgrid.com) in the first instance.

Yours faithfully



Cathy McClay
Head of Future Markets
System Operator
National Grid

Cc: Mark Bygraves, Elexon
Grendon Thompson, Ofgem

Appendix 1

Milestone	Original Date	Revised Date
Update Grid Code Panel on P297 discussions and potential GC0068 impacts	17 th October (completed)	17 th October (completed)
Open letter to stakeholders to set out the CBA process	w/c 22 nd October	w/c 22 nd October (completed)
Targeted engagement with key stakeholders including Independent Generators Group, Flexible Generators Group, other identified interested parties	22 nd October – 2 nd November	22 nd October – 2 nd November (completed)
Wider consultation with stakeholders on potential areas of benefit	5 th – 19 th November	5 th – 19 th November (completed)
Update on progress at BSC & Grid Code Panels – present initial feedback from evidence gathering	8 th & 22 nd November	8 th & 21 st November (completed)
Completion of Analysis & Publication of CBA	w/c 17 th December	w/c 7 th January 2019
Update on results of CBA at BSC & Grid Code Panels	13 th & 19 th December	10 th & 24 th January 2019
New modifications submitted if appropriate	January 2019	February 2019

