

Monthly Monitoring Meeting

Friday 26th October 10.00 – 12.30

National Grid Offices, 1-3 Strand, London, WC2N 5EH

AGENDA

Ref'	~Time	Title	Owner	Resolution required?
1	N/A	Actions from previous meeting	<i>Technical Secretary</i>	
2	90 min	<ul style="list-style-type: none">• Balancing costs• EBS• Our improvement plans for principle 5 & 6	ESO	

Meeting record

Monthly Monitoring Meeting

Meeting number 6

Date: 26th
October

Present: Ofgem:

National Grid:

Time: 10:00 –
12:30

Venue/format:

National Grid Offices, 1-3
Strand, London, WC2N 5EH

ACTIONS

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
1.	1.	30/5/18	15/6/18	HK	Agenda to be updated to reflect new item for discussion	Closed
1.	2.	30/5/18	15/6/18	JD	Formal write up of the feedback received to the first month report	Closed
1.	3.	30/5/18	15/6/18	SB	Providing any further thoughts on how the summaries per principle could be written to provide clear evidence	Closed
1.	4.	30/5/18	15/6/18	SB	Dates to be shared for monthly meetings, and tentative dates for half year and end of year panel dates	Closed
1.	5.	30/5/18	15/6/18	SB	Lines to take/ Summary of process for panel events	Closed
2.	6.	28/6/18	27/7/18	HK	ESO look at wording in the charging circular email and more clearly explain the basis of the incentive forecast	Closed
2.	7.	28/6/18	27/7/18	CC	Detailed articulation of BSUoS billing metric and how it relates to CUSC	Closed
2.	8.	28/6/18	27/7/18	GT	Share guidance on how the roles and principles under 18-21 incentives can be used and shaped as part of the RII02 Business Planning Activities	Closed
2.	9.	27/7/18		HK	Ofgem asked for an understanding of what data would be included within the informational portal.	In Progress

3.	10.	27/7/18		HK	The ESO promised to provide the work in progress versions of principles 4, 5 & 6 and organise a meeting between the ESO and Ofgem to discuss	Closed
3.	11.	27/7/18		DB	Ofgem to confirm contacts for the ESO to engage with regarding the data task force	Open
3.	12.	27/7/18		HL	Organise a meeting with the metric 4 owners to provide further explanation on the detail metric.	In Progress
3.	13.	27/7/18		HK	The ESO to provide responses to the following questions about the auction trial: what had stakeholders said about the delay? Have we tested the reasons explained within the report with stakeholders? Were any alternatives considered (e.g. more resources)? What alternative actions might the ESO take in the interim to help support outcomes expected from the auction trial?	Closed
3.	14.	27/7/18		DF	Provide an update on any further stakeholder feedback received on the Roadmaps and asked what actions are the ESO taking to improve the stakeholder survey scores mentioned within the report.	Closed
3.	15.	27/7/18		HL	Provide more detail behind the re-prioritisation of codes mentioned in the Q1 report and organise a meeting to discuss this further.	Closed
3.	16.	27/7/18		HL	Clarification on the statement around the C27 licence mentioned within the report.	Closed
3.	17.	27/7/18		JD	Where possible, publish the responses of received to the Forward Plan Consultation on the NG website	Closed
4.	18.	29/8/18		HK	The ESO to respond to email sent from Ofgem regarding dispatching actions taken under principle 2	Closed
4.	19.	29/8/18		DB	Ofgem to share the feedback that they had received around the ESO taking a more proactive role in the ENA Open Networks	Open
4.	20.	29/8/18		DB	Ofgem to organise a meeting to discuss the lessons learned and potential changes for next year's incentives year	Closed
4	21	29/8/18		HK	Provide further detail behind balancing costs on 28/29 July, including why the forecasts were incorrect and whether any lessons have been learned.	Closed

5	22	28/9/18		HK	Carbon Intensity- Why did we prioritise this information to share	Open
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MAIN ITEMS OF INTEREST

- The ESO shared that there is a change of personnel with Kayte O'Neill taking over as the Head of Strategy and Regulation and Louise Schmitz taking up the role of ESO Regulation, Senior Manager

Principles 5-7 Update

- Julian Leslie, Head of Networks presented the work being undertaken as part of principles 5-7 in the Forward plan, specifically focusing on the Principle 5 and 6 updates that were published on 19th October:
<https://www.nationalgrideso.com/sites/eso/files/documents/Principle%205%20Update%20-%20October%202018%20-%20Final.pdf> and
<https://www.nationalgrideso.com/sites/eso/files/documents/Principle%206%20update%20-%20October%202018%20Published.pdf>
- The ESO shared that the Forward Plan has allowed the ESO to showcase the work that is being undertaken by a number of teams that hasn't previously been seen. The ESO summarised the landscape over the last few years noting what has and has not changed during that time. Specifically noting that the relationships with DNOs is more collaborative sharing significant amount of data to understand the impact of change on the transmission and distribution networks, that operational patterns have considerably changed and the increase in connections. The ESO highlighted their work with the ENA Open Networks as well as the Facilitating Whole Electricity System Outcomes paper that was published in summer 2018.
- The ESO shared their work on Appendix G, noting that DNOs had to individually apply for all connections, but with the changes to Appendix G they now have a threshold where the DNOs work collaboratively to allow the connections, reducing costs and timescales.
- The ESO shared its work with UKPN and WPD through the Regional Development Programmes (RDP), specifically seeing the ESO and DNOs working collaboratively to understand data and operational challenges; they shared that the RDP with UKPN released 300MW of capacity on the network.
- The ESO also highlighted its work to upgrade the TOGA system using a stakeholder led approach and the developments to NOA and ETYS via the Network Development Roadmap

Balancing Costs Update

- In summary September costs were impacted by high winds in combination with an inflexible outage combination.
- Ahead of winter the Transmission Owners undertake maintenance of their equipment to ensure that it can withstand the harsher weather conditions expected. This work is necessary to avoid longer term faults on the network which could result in increased locational risk and high constraint costs.
- In addition to this the issues associated with commissioning the Western HVDC Link, which resulted in it being unavailable until September, had knocked-on planned work on the transmission systems for 2017/18 into the autumn.
- With only 4/5 weeks between Hunterston declaring their outages and starting the outages on the second unit there was a limited window to review the work that was planned, and pending

due to the Western HVDC, and ensure that the high priority transmission works was completed. Offline analysis showed that this transmission work also needed to be completed ahead of the Hunterston shutdown as Scottish supplies could not be secured during the Hunterston closure (in combination with a Torness unit outage) or after clock-change, when demands increase. We also contacted providers in Scotland to discuss whether they were capable of providing additional output during this period to allow us to rebalance flows on the network and provide flexibility to when the transmission outages could be taken.

- Although a large number of outages were removed from the plan (and are still awaiting the return of Hunterston to allow this work to be replanned), this still resulted in multiple outages at the same time, where in normal circumstances we would have only taken one.
- We then experienced exceptionally high wind during this period. Our normal process would be to have returned the outages, where possible, with these kind of conditions, however in this case we could not do this without impacting the plan to maintain system security in October.
- Wind output was 42% higher than Sept 2017 and the volume of wind bids (including trades) increased by 311%.

	Constraint Cost (£m)	Total Wind Output (GWh)	Scotland Wind Output (GWh)	E&W Wind Output (GWh)	Wind constrained volume (MWh)	Avg accepted wind bid price (£/MWh)
Sep-17	24.9	4.9	1.8	3.1	95	-71
Sep-18	85	7.1	2.7	4.4	390	-73
% increase		45%	50%	42%	311%	

- Another difference between September 2017 constraint costs and this year is that in 2017 the constraint costs were driven by SCOTEX, whereas this year it was SSHARN. This meant that both the onshore wind in Scotland and the large offshore wind farms in North West England were behind the active constraint increasing the volume of action required.

Performance Panel

- The ESO and Ofgem discussed the agenda for the Performance Panel noting that the event will take place in London on the 20th November. It was shared that one panel member is unable to attend the event the full event and one would not be able to attend for the morning session.
- The ESO and Ofgem agreed to have further discussions on the approach for the morning session.

AOB:

Appendix 1 – Timetable

1. Annual Requirements

- Monthly
 - 15th working day of M+1 keeps cost basis historic
 - Meeting 20th working day of M+1
- Quarterly
 - 15th working day of M+1 following Q end (Jul, Oct, Jan)
- Half Year Report
 - 15th working day in October (M+1 after half year completed)
- Year End- Ofgem's Proposal
 - 7th May -consultation & draft licence (5 wks after year end)

2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	M	M	M	M	M	M	M	M	M	M	M	M	
			Q						Q				
						1/2YR							FYR

2. Monthly requirements

Date	Action	Owner	Note
15 th Working Day	Monthly report submission date	ESO	
No later than 5 Working Days before meeting	Provide the Chair with meeting papers	ESO	
20 th Working Day	Monthly Monitoring Meeting	Technical Secretary	
25 th Working Day	Minutes from meeting submitted	ESO	
End of Month	Chair to approve minutes from meeting	Chair	
2 nd Working Day after approval of the minutes	Publication of meeting minutes	Technical Secretary	

3. 2018-2019 Reporting & Meeting Dates

Month	Report Published	Ofgem Meeting	Report Type
	(15 th WD)	(20 th WD)	
May	22/05/2018	30/05/2018	
June	21/06/2018	28/06/2018	
July	20/07/2018	27/07/2018	Q1 Report
August	21/08/2018	29/08/2018	
September	21/09/2018	28/09/2018	
October	19/10/2018	26/10/2018	Half Year Report
November	21/11/2018	28/11/2018	
December	21/12/2018	02/01/2019	

January	22/01/2019	29/01/2019	Q3 Report
February	21/02/2019	28/02/2019	
March	21/03/2019	28/03/2019	
April	23/04/2019	30/04/2019	
May	7/5/2019		End of Year Report