

Monthly Monitoring Meeting

Wednesday 30th May 2018

Ofgem Offices, Conference Suite 10SC

AGENDA

Ref	~Time	Title	Owner	Resolution required?
1	N/A	Actions from previous meeting	<i>Technical Secretary</i>	
2	60 min	Comments from the Authority for previous reporting month <ul style="list-style-type: none">• Report Structure• Principles 1-7• Metrics 1-5,9,14,15• Data• HotSpots	<i>Senior Economist</i>	
3	60 min	Monthly Reporting Performance Measure Overview & response to Comments from Authority <ul style="list-style-type: none">• Report Structure• Principles 1-7• Metrics 1-5,9,14,15• Data• Hotspots	<i>ESO Regulation Team</i>	
4	15 min	Update on progress against Plan		
5	15 min	Agree actions for next month	<i>Technical Secretary</i>	
6	5 min	Summarise Authority's comments on reporting month's evidence/ performance & next steps	<i>Senior Economist</i>	
7	5 min	AOB	<i>All</i>	

Meeting record

Monthly Monitoring Meeting

Meeting number 1.

Date: 30th May

Present: Ofgem:

Apologies:

National Grid:

Time:

Venue/format:

Ofgem Offices

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	Open
1.	2.	30/5/18	15/6/18	JD	Formal write up of the feedback received to the first month report	Open
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	Open
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	Open
1.	5.	30/5/18	15/6/18	SB	Lines to take/ Summary of process for panel events	Open
1.	6.					

MAIN ITEMS OF INTEREST

Report Structure Feedback

- Note was sent to Forward Plan mailing list sharing the publication of the report on the National Grid website. Four parties have responded with feedback providing thanks for increased transparency; question about whether this should be monthly and asking how does this align with other information we publish externally.
- Noted that further to feedback received on the stakeholder approach, the ESO will publish the outcome of the stakeholder strategy in July as a consultation to industry.
- Discussed that the meeting agenda should be updated to reflect a new item of sharing stakeholder feedback received within the month by Ofgem and the ESO.
- Noted that the main intent of the report is to provide evidence against how the ESO is delivering against their Forward Plan. Recognised that whilst stakeholders may not engage with all published reports, they should be able to read the Forward Plan, the published reports,

meeting minutes and Panel reports to understand the context of the final decision by the Panel understand the sum allocated to (+ /-30m) to the ESO.

- It was explained that section 1 intends to provide the overall narrative of how we are delivering against each of the principles with section 2 providing detailed performance per metric. Ofgem suggested that the progress against principle element should be split into two 1) activities that are in line with meeting baseline expectations; and 2) any actions that ESO believes have exceeded baseline expectations (which would also match the structure of the Forward Plan). Ofgem believed this would help create greater transparency about the areas in which the ESO has focussed its efforts to deliver additional consumer value, as well as supporting more productive discussions about the extent to which the ESO is meeting or going beyond baseline expectations.
- It was discussed that greater narrative should be provided alongside numbers for metrics to help provide context. In particular, tangible and practical examples of the actions taken by the ESO to achieve performance against the different targets.
- It was suggested that it would be helpful to have a reflection of what else the ESO is trying to do and areas that the ESO may not be achieving as much but where there are plans improve this to help the panel understand the context and describe what the ESI has done to achieve this, what could have been better and what lessons have been learnt.
- It was discussed that for the quarterly report, the following should be included: per principle how the ESO is meeting baseline and exceeding expectations, what has gone well and what the ESO wants to improve on going forward and summarising the monthly reports and providing a look ahead and any areas of deviation from the Forward Plan.
- It was explained that the June report will be provide a response and actions that will be undertaken by the ESO in response to the Formal Opinion Annex, namely for principles 4-6.
- Highlighted that this scheme provides the ESO with a platform to share what we are doing with stakeholders, essential to demonstrate this within the reports.

Other cross cutting comments

- Ofgem noted up front that as this was the first month of the new scheme, the majority of the comments it had provided in Annex 1 of the Formal Opinion¹ continue to apply. In particular that the ESO should continue to provide more evidence and tangible examples on how it intends to go above meeting baseline expectations for each of the Principles.
- The ESO and Ofgem discussed whether some of the metrics were better suited to showing that the ESO is performing its baseline activities efficiently rather than demonstrating out-performance. These metrics would still be informative and create transparency around the ESO's overall performance; but for those principles, for the ESO to demonstrate how it is going beyond meeting baseline expectations, there may be more emphasis on the within-year evidence provided and stakeholder feedback. The ESO and Ofgem noted that the end of year performance evaluation is a holistic evaluation, and that the metrics only form one part of this evaluation.

Each of the principles were discussed in turn:

Principle 1

- Question asked where the consumer value numbers came from. Consumer value numbers

¹ <https://www.ofgem.gov.uk/publications-and-updates/ofgem-s-formal-opinion-electricity-system-operator-s-forward-plan-2018-19>

based on those within the Forward Plan. The ESO has a target to have tested methodology with stakeholders by six month. Further commentary on this will be shared in the next report.

- The ESO shared their key success of the month for this principle was the Electricity Operational Forum which helped to provide stakeholder sentiment and shape further engagement on a number of topics e.g. NOA. It was asked that, where possible, captured feedback is shared within reports.
- The ESO stated that the Electricity Operational Forum highlighted stakeholder need for a consolidated view of information and helped to inform the scope of a newsletter/roadmap that will be shared later this year to help this.
- Ofgem asked for more explanation around how forecasting targets (Metric 4) were being exceeded in practice (for example, what was involved in the updates to the forecasting models and whether/how this went beyond business as usual activity).

Principle Feedback: P2

- It was asked that more context is provided around performance – what has been positive, what has not gone so well, how could this be improved to provide stronger transparency. Ofgem suggested that, in line with its overarching comments, it would be helpful for the ESO to distinguish between the key actions taken to fulfil its obligation to operate the system economically and efficiently, and any new and innovative steps which clearly go above expectations.
- The ESO highlighted that this month the area in which it believed it had exceeded expectations was around the work it is undertaking with the DNOs to change protection equipment. The ESO will look at how the narrative is articulated and separate as baseline/exceeding in future months.
- It was asked that metric 5 is provided with more narrative in the next report.

Principle Feedback: P3

- It was noted that the stakeholder feedback mentioned in the principle is based on a Slido score and that it would be useful to have further information, where possible, about the commentary received at the event in addition to the score.
- It was shared that the Balancing roadmap will bring together the whole IS system to meet the market participant need as a forward looking story It was noted that some parties have engaged with directly, so this will be an additional deliverable to share this information with all of industry.
- Discussed that the IS User Group planned for 4th July, invites have yet to be shared.

Principle Feedback: P4

- The ESO acknowledged that the feedback received in the Formal Opinion will be reflected in NG plan and shared within the reports over the coming months.
- Discussed that for Metric 9 a stronger narrative needed is needed to explain what the ESO is doing differently to go beyond meeting baseline expectations.

Principle Feedback: P5

- As noted generally, a stronger articulation of long term vision will be reflected in the reports in the coming month.

Principle Feedback: P6

- As noted generally, a stronger articulation of long term vision will be reflected in the reports in the coming month.
- Recognised for metric 14 that further information about what changed articulating how things the ESO have approached differently. The score is currently indicative; as the score is reflecting how the steps the ESO have undertaken to date would be scored until the actual data can be measured.
- Discussed that for metric 15, further information is needed about what changed and how the ESO approached it differently. Noted that this metric is a proxy on their planning system and will continue to review how this is working to demonstrate performance. Discussed that as per the formal opinion, it could be better to use this metric to examine whether baseline performance is being met, and rely on the additional evidence and stakeholder feedback to show whether the ESO is exceeding baseline in this area.

Principle Feedback: P7

- Discussed that April was laying the foundations for the Roadmap published in May and undertook a number of stakeholder engagement events and pushing the boundaries on Principle 5 with other TOs. May report will include the publication of the Roadmap. April has shown industry not aware of NOA and we have a lot of work to communicate it further.

Hotspots:

- Discussed that further context around the numbers and what actions the ESO is undertaking is needed.

AOB:

- Agreed that placeholder dates will be shared for monthly meetings, half and end of year panel events.
- Discussed that questions are being asked the ESO by stakeholders around the panel e.g. who is on the panel, dates etc. Ofgem to share lines to take. Ofgem will be publishing a working paper on the process for the Panel.

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