

Monthly Monitoring Meeting

Tuesday 30th April 2019 10:00 – 12:00

Ofgem Office South Colonnade and Teleconference

AGENDA

1. Review Actions.
2. SME slot – Summer Outlook.
3. First 2019 monthly report:
4. Performance Metrics discussion – what does a good metric look like?
5. 6th June Panel day: planning, location, agenda, practicalities etc.
6. AOB

Meeting record

Monthly Monitoring Meeting

Meeting number 12

Date: 30th April

Time: 10:00 –
12:00

Venue/format:
Ofgem Offices
London

Teleconference

ACTIONS

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
11	29	28/03/19		Ofgem	Inform the ESO of what additional data may be required in support of monthly performance reporting for next year.	In progress
12	30	30/04/19		Ofgem	Inform ESO of which SME area they would like covered in future meetings	Open
12	31	30/04/19		ESO	Propose a date in May for workshop on metrics	Open

MAIN ITEMS OF INTEREST

1. Review actions.

Action 27: ESO stated: *“Our plan to reset the affected protection settings over the next three years will eliminate the problem. Until that time we will continue to look for the most economic options to manage the problem through commercial actions. The size of the largest loss will increase when the North Sea Link connects, planned in 2021. If that connects prior to the completion of the RoCoF relay work, then we will continue to manage RoCoF through the most economic commercial actions. We plan to have the RoCoF relay work completed long before Hinckley C connects.”* Ofgem asked if there were issues with getting third parties to do the work, ESO responded that this could be a problem in some cases, and as such were pursuing code changes to support the protection changes whilst going ahead with the programme.

Action 28: ESO stated: *“Currently the NOA focusses on thermal constraint issues when optimising costs. The impact on RoCoF of increased levels of interconnection is complex. Many factors will influence the level of RoCoF, including system demand, levels of synchronous, renewable and distributed generation. Interconnectors have the potential to provide an improvement in RoCoF, for example increased exporting can result in the dispatch of additional generation to meet demand, some of which may provide system inertia. Interconnectors can also contribute negatively to RoCoF, for example increased levels of import can displace conventional plants which were contributing to system inertia.”*

Action 29: Covered later in section on reporting, and Ofgem require the following files which will move to being put on sections of the ESO website relating to the content, instead of in the Performance Reporting area [Ofgem require all the same reports and data that are currently received for the 18/19 incentive year:

- Wind & Demand forecasting data
- Demand forecasting data by cardinal point for 1 day-ahead, 2 day-ahead & 7 day-ahead
- Balancing costs ‘hotspots’ and a ‘summary’ excel sheet of costs
- A monthly excel document containing the full costs broken down in different tabs (incl Black Start costs)

2. Summer Outlook Overview

The ESO went over the Exec Summary of the Summer Outlook Report. ESO stated that it had changed the format of the report to interactive, and we would appreciate feedback on the new format. The ESO is aiming to make the documents more educational and accessible.

The ESO stated the Summer Outlook is part of a suite including the winter outlook and associated consultation, and these are dual-fuel. The ESO said they draw out the linkage between gas and electricity in the documents.

The ESO stated there were four key messages:

- The ESO stated Enough supply to meet demands over the summer period. Expect demand to be similar to 2018
- Operability: the right tools and services to manage any operability issues, low demand and too much generation
- Whole system thinking: links into the longer-term documents including FES.
- Brexit, document was published ahead of 30th March

The ESO said that electricity supply was expected to meet demand this summer, and that they can manage all operability issues. The summer demand of Gas is mostly from electricity generation, as opposed to domestic.

The ESO said that electricity demand profiles are changing, with the lowest demands on the transmission system potentially being midday in the summer, due to the contribution from solar PV.

The ESO said they do not see a problem with downward regulation/NRAPM (Negative Reserve Active Power Margin) nationally, but if there is then they have the tools to manage it.

Ofgem asked what 'minimum available generation' was, the ESO explained that it is the lowest amount of generation they think will be available to meet demands.

The ESO said they do not expect to constrain inflexible generation this summer, and the data in the published report was revised from initial drafts in support of this position.

The ESO highlighted that Gas generation no longer runs as baseload in the summer – it responds to the patterns in renewable generation. This makes it difficult to manage gas demands and plan gas system outages, due to the variability of gas demand within day and day-to-day.

The ESO said that they would continue to provide this dual-fuel insight through the SO role post legal separation.

Ofgem stated that the interactive report was good, particularly that we had included a sufficient level of detail in the 44 pages.

Ofgem asked what the consequences for the Control Room are as a result of newer challenges on the system in summer.

The ESO replied that inertia management will get worse as more intermittent generation comes on-line, and that the ESO needs to have visibility of what is going on beneath the transmission boundary, what is impacting the demand seen by the ENCC (Electricity National Control Centre), and that focusing on forecasting improvements will help with that challenge. Innovation projects are giving a better view of both national and GSP (grid supply point) level demands.

3. First 2019 monthly report

The first 2019 report will be published on 22nd May, it will contain monthly metrics (6/16 metrics). The quarterly report in July will contain an update on all deliverables due in the quarter. The report will use a consistent reporting style similar to that we achieved at the end of 2018-2019 reporting. ESO Teams will own the publication of supporting data on the ESO website, e.g. balancing costs, forecasting data.

The ESO will highlight any key events on a monthly basis and will invite our SMEs to attend, there will be a default slot on balancing cost.

ACTION: Ofgem to review Forward Plan Appendix B where the deliverables are listed and highlight any areas that they would like to have an SME session.

The quarterly report will follow the December 2018 quarterly report style. All agreed that this would be appropriate. The 'status' column within the reporting will talk about the 'How' we have delivered and if there are any changes.

Support files expected by Ofgem: are listed against Action 29 above. The ESO noted that no issues were expected with these reports and they will all be provided to Ofgem and published for transparency on a best endeavours basis. i.e. any minor delays to their publication would be communicated to Ofgem.

4. Performance Metrics discussion – what does a good metric look like?

The ESO opened a discussion on what does Ofgem think a good metric looks like, what are its characteristics. The ESO said there was potential to develop the metrics to give a better overview of holistic ESO performance.

Regarding a 'good' metric, Ofgem said:

- The metric should cover aspects of the principles and roles of the ESO.
- It should create transparency around ESO performance
- They should be shared with stakeholders
- They should feed into long-term vision and link with deliverables and long-term benefit
- They should be benchmarked, clearly stating the levels of performance and having explanation of the what and why of challenging performance.
- The ESO needs to measure whether outputs have been delivered (eg by focussing on plan delivery and timeliness) but also ensure it is measuring the quality of its outputs and service provision (e.g. by focussing on whether the output met stakeholder expectations)
- Having the detail of survey questions is good, but need benchmarking
- Core metrics should cover: balancing costs; forecasting; quality of service provision; stakeholder engagement

Ofgem said the ESO should ask stakeholders about the transparency, accessibility, and useability of its information.

The ESO should distinguish between output and outcome measures, refer to the Treasury Green and Magenta books for background.

The ESO should track its direct outputs which lead to outcomes for consumers. The ESO should focus on the consequence of its activities. The ESO said these were sometimes the areas which were difficult to quantify in the sense of a metric.

Ofgem supported the use of stakeholder-focussed survey metrics, that the ESO should be asking users about service provision. The ESO agreed this was a valid approach but highlighted the difficulty in getting a representative sample of customers and stakeholders to respond.

ACTION: ESO to propose a date in May for a workshop on metrics.

5. 6th June Panel day: planning, location, agenda, practicalities etc.

Ofgem have finalised venue for the day, secured 1 main room and two smaller breakout sessions. To follow the style of the 22nd January 2019 ESO Forward Consultation event. Capacity for 80-100 people. Morning 9.30-1.30, Afternoon 1.30-5. Ofgem to host.

Energy UK have proposed a new Panel member to replace an employee who has left the organisation on the performance panel, ESO is aware.

Ofgem agreed the ESO can publicise the event alongside its EOY report communication.

6. AOB

Ofgem said the Formal Opinion to the ESO 2019-21 Forward Plan is due to be published on 1st May.

Ofgem asked why, in its RII02 ambition, the ESO had chosen to digitalise the Grid Code above other codes. The ESO noted that the Grid Code is the operational code which new connectors must adhere to, and is large and complex. So digitalising it would benefit these participants.

The ESO provided Ofgem with SME names to follow up with on why other ESO-owned codes were not part of this ambition.

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

Appendix 2 – Closed 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	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	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	Closed
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	Closed
3.	12.	27/7/18		HL	Organise a meeting with the metric 4 owners to provide further explanation on the detail	Closed

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	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	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	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	Closed
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	Closed
10	23	28/02/19		SM	Share with Ofgem how Energy Forecasting team calculates its year-on-year performance measure	Closed

10	24	28/02/19		SM	Share with Ofgem how the monthly BSUoS forecast is done, and what ESO can leverage to improve the quality of the forecast.	Closed
10	25	28/02/19		GT and LS	Look at options for hosting EOY event, regarding costing, location, organisation.	Closed
10	26	28/02/19		ESO	Propose monthly meetings agenda format.	Closed
11	27	28/03/19		ESO	Explain what the ESO is doing to look at managing RoCoF with respect to largest loss impact, through its operability strategy and planning.	Closed
11	28	28/03/19		ESO	Share with Ofgem what the NOA approach is to considering RoCoF costs when analysing interconnector costs.	Closed