

Monthly Monitoring Meeting

Friday 26 July 2019 10:00 – 12:00

Ofgem Office South Colonnade and Teleconference

AGENDA

Ref	Time	Title	Owner
1	10 min	SME slot – June Balancing costs	ESO
2	10 min	SME slot – Planning for low-demand periods	ESO
3	10 min	SME slot – Planning for Autumn/Winter	ESO
4	10 min	SME slot – Forecasting Strategy Project Roadmap	ESO
5	10 min	Review actions	ESO
6	10 min	ESO to highlight any particular notable points from the published report	ESO
7	10 min	ESO to answer any questions which Ofgem have sent prior to the meeting regarding the recently published report	ESO
8	10 min	ESO to take other questions on the published report.	All
9	10 min	Planning for mid-year reporting and Panel event.	All
10	10 min	AOB	All

Meeting record

Monthly Monitoring Meeting

Date: 26 July 2019

Time: 10:00 –12:00

Venue/format: Ofgem Offices
London

Teleconference

ACTIONS

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
15	36	26 th July	29 th Aug	ESO	Provide more detail on Stability Pathfinder	Open
15	37	26 th July	29 th Aug	ESO	Provide more detail Operability Strategy Update	Open

MAIN ITEMS OF INTEREST

1. SME slot – Balancing costs

The ESO gave an overview of the Q1 2019 balancing costs compared with the Q1 2018 costs. The costs were higher in 2019, driven by an increase in RoCoF costs, and the unavailability of the WHVDC link in May and June. RoCoF costs are continuing the upwards trend due to the continuing increase of low-inertia generation on the system. Ofgem asked if the RoCoF costs or volume were increasing, ESO replied that the costs are similar, but the volume of actions is increasing. Wind output is increasing year-on-year, and there are increasing wind generators on the system, particularly in the North. The RoCoF limit (the value which a largest loss must be below so as not to trigger the issue) is getting lower with time, thus requiring more interventions by the ESO to control. The WHVDC link returned to service on 3rd June, which has helped reduce the costs of managing thermal constraints from June onwards.

2. SME slot – Planning for challenging operational periods

The ESO presented on low-demand periods and the operational challenges these give. We are now seeing afternoon demand levels on the transmission system which can be lower than the overnight minimum value (due to embedded generation, e.g. solar). We are also seeing record low minimum demands.

The ESO described some recent very-low demand periods such as the Easter and May bank holiday weekends.

When the forecasting team identifies an extreme event coming, they inform other teams to plan for the event (e.g. low daytime or nighttime demands, and/or high levels of renewable generation). The ESO explained the tools and processes used to plan for the event, e.g. trading ahead of real-time, deploying extra resources, managing the trading workload, performing additional system studies, and managing outages (e.g. recalling assets back into service). Ofgem asked if the ESO can give a view of how many times the ESO recalls outages, the ESO will look into this. The ESO stated that when determining to recall an outage, the cost of the recall is compared with the cost of other options, and the cheaper option taken.

3. SME slot – Planning for Autumn/Winter

The ESO gave an overview of autumn/winter forward planning, which consists of meetings which look 4 and 12 weeks ahead. The meetings cover the operational teams, and they identify potential issues such as significant generator or asset unavailability, and then what options can be put in place to mitigate.

4. SME slot – Forecasting Strategy Project Roadmap

The ESO gave a presentation on the Forecasting improvements covering:

- Delivery of proof of concept internally in Q1 for the new 'Platform for Energy Forecasting'.
- Introduction of machine learning models
- Publishing ½ hourly forecasts, updated hourly
- Publishing the Strategic Roadmap
- Developing tools for the Control Room to give visual representation of forecasts 24 times per day
- Agile approach to development, with a feedback loop from the Control Room users
- Development of GSP (Grid Supply Point) demand models to be used with a machine learning approach.
- Publishing additional forecasts to market
- Using cloud computing platforms
- Using new visualisation tools
- Development of a customer data centre to look at how to give stakeholders self-serve capability
- Developing APIs to let customers access data
- Production launch of additional forecasting due September (production meaning putting on a more power platform with more data controls)
- Following 'product management' rather than 'project management' approach in order to focus on delivering what the customer wants, rather than just how to build things.

Ofgem asked how the involves stakeholders, the ESO replied that we get their initial requirements, then create a prototype, then get feedback on that.

Ofgem asked if innovation projects are on the roadmap? The ESO replied that a big innovation is flexibility of end user computing, to visualise and analyse. Machine learning and AI is new way of looking at things. Customer data centre is an innovative way of delivering data: a single place to look, intuitive and user friendly. The ESO added that although this project uses innovative techniques, it does not receive specific Innovation funding. Ofgem asked about building forecasting capability, that stakeholders wanted to be able to competitively tender to meet forecasting needs and didn't feel that roadmap gave that opportunity. The ESO replied they are looking at data feeds, and there is opportunity for stakeholders to approach the business: this system is more compatible with external providers.

5. Review actions

- All actions closed

6. ESO to highlight any particular notable points from the published report

The ESO presented notable achievements:

- Customers and stakeholders are asking for more forecasts, this improves certainty and lowers costs through lower intervention by the ESO. It also helps participants to balance their own position and thus the market functions better. Not much feedback yet- but has been on twitter during the week.
- The customer value opportunities metric has resulted in releasing an extra 1000MW on a constraint boundary for an extra year during upgrade works. 22 other instances were also logged, showing the planning teams doing things differently to delivery cost reductions.
- The Data Finder web page was delivered in response to customer feedback, shows how ESO documents fit together and giving easy access.
- The Operability Strategy update was released and the ESO will consider an SME to present for the next meeting. This document covers what can we learn about system operation challenges, what issues might come up in future. This will help the ESO to control future costs.
- Balancing services guidance documents were published in response to stakeholder feedback for simplification.
- Energy codes review thought-piece was published to stimulate discussion on the ESO's position for stakeholders.
- Charging guidance was published in response to stakeholder feedback
- Power responsive summer event held, with massive interest, the ESO is continuing this initiative to develop markets and bring in participants.
- NOA engagement took place to reduce the perception that it is difficult to understand. The ESO is seeking feedback re. what they can do differently/better.
- High voltage pathfinder is progressing, the ESO is doing things differently by a doing and learning approach, moving away from the perception of presenting a pre-determined solution to market. On the Mersey-Ring part of the system, the ESO asked stakeholders to propose solutions for voltage requirements. Stakeholders have come back with solutions e.g. run machines, build

equipment. The ESO is now going to tender- making voltage management more commercial.

Ofgem note the recent Stability pathfinder, the ESO will provide more information at the next meeting.

7. ESO to answer any questions which Ofgem have sent prior to the meeting regarding the recently published report

The ESO gave a verbal update on questions posed by Ofgem prior to the meeting.

Ofgem asked, regarding the publications what stakeholder feedback have the ESO had? The ESO replied that we are putting in place a process to capture stakeholder feedback, the ESO has a Customer and Stakeholder Team helping the organisation and that we have a CRM system deployed for this purpose.

The ESO discussed Q1 deliverables, that there is planning ongoing to optimise delivery of activities across roles 2, 3, 4. The ESO stated that they recognise that many activities in the Forward Plan rely on same SMEs and are determining how to make this work across priorities. The ESO will provide more status updates in the run up to the mid-year report.

Ofgem and the ESO discussed interaction with the CUSC team.

8. ESO to take other questions on the published report.

No further questions, Ofgem said the report was useful with a good format consistent with the Forward Plan.

9. Planning for mid-year reporting and Panel event.

All discussed that a structure similar to the end of year event was desirable, with a stakeholder event followed by a session with the ESO and Performance Panel. Ofgem are keen that at next event, there is more time for stakeholders to ask questions in the morning. ESO should keep presentations short, with a more equal balance between presentation and discussion.

Ofgem noted that the Panel need enough time after the publication of the report to digest it before the event. Ofgem will issue a call for evidence, which should be after the report is published. Ofgem are targeting week commencing 11th Nov for the event.

10. AOB

- Ofgem will consult on RIIO2 incentives approach in August.
- Ofgem agreed to discuss the outcome of the next GEMA meeting with the ESO.

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	22/05/2019	30/05/2019	
June	21/06/2019	28/06/2019	
July	19/07/2019	26/07/2019	Q1 Report
August	21/08/2019	29/08/2019	
September	20/09/2019	27/09/2019	
October	21/10/2019	28/10/2019	Half Year Report
November	21/11/2019	28/11/2019	
December	20/12/2019	31/12/2019	

January	22/01/2020	29/01/2020	Q3 Report
February	21/02/2020	28/02/2020	
March		28/03/2019	
April			
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	29	28/03/19		Ofgem	Inform the ESO of what additional data may be required in support of monthly performance reporting for next year.	Closed
12	30	30/04/19		Ofgem	Inform ESO of which SME area they would like covered in future meetings. ESO will put calendar together. Ofgem apologised for not sending earlier	Closed
12	31	30/04/19		ESO	Propose a date in May for workshop on metrics. RIIO teams talking to Grendon – put on hold for now. Align to RIIO timelines	Closed
14	32	30th May	28th June	ESO	Explanation and narrative around wind forecasting in April to be provided to Ofgem	Closed
14	33	30th May	28th June	ESO	Role 1- balancing costs table – metric 1 – add extra row on adjustments (page 4)	Closed

14	34	30th May	28th June	ESO	Add table/figure numbers to report	Closed
15	35	28 th June	26 th July	ESO	Provide more detail on the planning that is taking place for September onwards	Closed