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MEETING NAME P407 Workgroup Meeting

Meeting number 2

Venue Skype

Classification Public

MEETING SUMMARY

1. Meeting objectives

The purpose of the meeting was to consider outcomes of actions taken at the last meeting and to assess the options for P407/GC0145 and agree the way forward.

2. Submission and Acceptance

2.1 How the platform will work

A Workgroup member asked if we could look to update this slide to include GB Interconnectors. **NGESO agreed to update as requested.**

2.2 Submission of data

Exxon asked for confirmation of the auction period. A Workgroup member asked if there is gate closure every 15 minutes. NGESO confirmed that there are four time runs within each hour. Exxon explained the timings for each 15 minute bands. There are 15-minute periods that start from 1:00 – 1:15 1:15-1:30 so gate closures are HH:35, HH:50; HH:05, HH:20. The Chair asked if there is a difference between 'start' and 'beginning'. NGESO confirmed there is no difference.

2.3 Submission before gate closure

NGESO explained that multipart bids are known as parent and child bids. NGESO explained that there are two types of link – technical, which ensures no unfeasible bids and conditional which ensures economic optimisation.

A Workgroup member commented that 1 MW isn't a barrier but needing to add a MW every time is a significant barrier. The Workgroup member also asked if any potential changes to the 1MW rule could be made as MARI changes are implemented. Exxon remarked that the bid document will have a 1MW step increment but in the MOL document it is 0.1MW so it would appear it is technically possible. **Needs clarification on granularity – action for NGESO.**

Exxon asked NGESO if the legal text changes would be shared with the Workgroup. NGESO confirmed that they will be. Exxon also commented that there will be TERRE/P344 dispatch forms and guidance that were shared post-Modification. Will these be shared with the Workgroup? NGESO confirmed they will be shared if they can be made available. A Workgroup member referred to a gate closure diagram that was used in P344 and asked if something similar showing TERRE/MARI/BMs could be produced. **Exxon indicated they had something that could be shared for the next Workgroup.**

2.4 BSP to TSO bidding process in the mFRR platform

Exxon explained that once a participant has been selected for Scheduled Activation they would then be removed from Direct Activation – only one or the other is allowed for each time period.

2.5 Accepting Bids

NGESO suggested the same process for TERRE will be followed for MARI. GC0144 is looking at market suspension for TERRE. Will need to build MARI into that drafting as well. A Workgroup member asked if, in terms of constraints,

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Interconnector issues feed in here. NGESO remarked that in ramping for TERRE, Interconnector capacity is restricted because of the ramping restrictions that are applied by National Grid. Elexon commented that the flow of information between Interconnectors and NGESO will change and that ramping considerations are key to the MARI solution as it is more complex than TERRE. NGESO is still defining the load/ramping shapes. **Elexon agreed to update slide that was previously prepared for TERRE – for future Workgroup.**

2.6 Ramping

Elexon asked if NGESO would be going through the position on what BM units are allowed to do. NGESO responded that they suggest we incentivise a shape that is very close to the exchange shape but that they currently have no official position on the exact delivery shape and will require feedback from Workgroup members.

Elexon asked Workgroup members if they believed a full 12.5 minutes should be used to ramp. A Workgroup member referred to where the TERRE process acts like a BOA which you have to follow. Elexon responded that in some scenarios it was noted in TERRE that NGESO will not issue instructions or will issue partial instructions. There are situations where the instruction won't be deliverable. **We needed to create a schedule for TERRE and would assume one needs to be created for MARI - Action.** A Workgroup member supported flexibility of ramping and commented that if such a ramping period were not to apply in the MARI solution Workgroup members would be keen for NGESO to be clear about it. Another Workgroup member supported that position with regard to participant ramping, however, Interconnectors can ramp quite quickly. NGESO cautioned that, if there was a rigid TSO-TSO shape and volume did not match the shape, NGESO would need to manage the resulting imbalance. Elexon suggested this could lead to unneeded energy which would lead to subsequent actions which could add cost to the market. **Elexon commented that such a consequence and subsequent consequences would need to be discussed as part of P407/GC0145 Workgroups.**

2.7 Scheduled and Direct Activations

NGESO gave an overview of overlaps between the two different activation types and clarified that, for every Direct Activation, the provider will deliver more in QH+1 than in QH 0. Elexon asked if NGESO intend to use Direct Activations, since it is not mandated. NGESO intends to, in terms of restoring frequency they are very useful. Scheduled Activations only would not be enough. NGESO asked for the Workgroup's thoughts on this – would they want to put in for Direct Activation as well as Scheduled Activation. NGESO commented that this may be too complicated. **Elexon asked when full delivery would be decided by NGESO, NGESO to provide an update.**

Elexon commented that NGESO is mandated to use European products first as part of MARI. **NGESO agreed to return with further detail on Scheduled Activation and Direct Activation so that Workgroup members can make a decision on which type they would prefer.** A Workgroup member commented that if Direct Activation is happening more dynamically than Scheduled Activation then there would be a preference for updating price in the BM because of what is going on here. The calculus would be different on whether a participant wants both depending on what level of flexibility they have in the other balancing services. Another Workgroup member commented that it is difficult to know what they would do now until they understand the time horizon. If the volume is coming through MARI is it currently being delivered via BOAs? NGESO confirmed that is the case.

A Workgroup member commented that the end result of who is doing what could replicate what happens now but from different products. MARI is taking more from a different method of delivery. Balancing principle statement – part of C16 statements - NGESO should be outlining high level how they will balance the system and this should be updated with MARI. It will not give the exact answers as it is high level. Those C16 statements are done on a yearly cycle. NGESO confirmed the statements are signed off April to April. If a change is deemed necessary for a Code Modification, then through the Workgroup they get amended. If it is determined that a Balancing Principle Statement needs to be changed part-way through the year, then that's fine. Just need to issue a statement to Ofgem. **NGESO questioned whether gate closure is part of this scope as that would be a major change in the BM.**

2.8 Scheduled Activation (SA) timeline: one run

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Elxon asked NGESO how they will communicate a bid restriction. NGESO replied that the same rules as TERRE should apply – flagging and reporting through the process itself. Another NGESO representative concurred and added that there would be no free text added.

A Workgroup member asked if instructions would be received from NGESO or from the central MARI platform and also when those instructions would be received. **NGESO agreed to take this away and report back at a future Workgroup.** Elxon commented that instructions are intended to be in MW blocks and that NGESO will likely have conversations with Interconnectors regarding timings of instructions.

A Workgroup member asked what would happen if an Interconnector is on outage. Another Workgroup member responded that, on TERRE, NGESO/Interconnector/connecting TSO will submit to the platform and the lowest load of the three would be taken. This is currently being worked on for TERRE. There is a proposal drafted and by the time MARI is implemented this change should have been made.

2.9 Direct Activation (DA) timeline

Elxon asked NGESO how many auction results files they were expecting to receive. NGESO confirmed potentially more than 15 in each 15-minute period.

2.10 Further Questions

Elxon commented that, in TERRE, it is not permitted to have ancillary services and participate in the platform. In the TERRE discussions this was a temporary thing - is this the case for MARI as well? NGESO clarified that there are different ancillary services, some of which would not be applicable. If it is Frequency Response, then the timescales would be outside the MARI timescales because the response is immediate, mFRR has a longer timeframe. This is something that NGESO need to consider. **NGESO agreed to check overlap with MARI and other Ancillary Services; this wouldn't include mandatory.**

Elxon asked the Workgroup what it thinks about revenue stacking. A Workgroup member responded that, as a concept, it should be fine to offer as much flexibility and capability as a participant is able to. NGESO responded that if National Grid is contacting a participant for frequency response and mFRR then the stacking of those services should be to the benefit of everyone.

NGESO confirmed that the starting point is TERRE and MARI will be applied. It is important to have that flexibility and encourage that to ensure no unintended consequences and double counting. A Workgroup member asked is this not equivalent to some of the secondary frequency response actions as well? NGESO agreed there is that overlap but some would be out of scope. A Workgroup member asked if the suite of dynamic products would be checked. NGESO confirmed there is an action to look at the commercial products that overlap with MARI.

A Workgroup member asked if future Workgroups need to include more topics since Interconnector questions need to be answered as soon as possible. **NGESO/Elxon agreed to revisit Workgroup planning.**

A Workgroup member asked if the 30 seconds to go from mFRR to Interconnector (in the Scheduled Activation timeline) has been flagged as a risk and what contingencies are in place for such tight timescales. Could those be highlighted on slides 19 and 20? NGESO responded that there is an IT working group looking at those timings and how they will work. **NGESO agreed to share outcomes of the IT internal working group on MARI and to provide MARI Workgroup with a forward view of what the IT group are to discuss.**

3. Next Steps

The Workgroup agreed that the third Workgroup meeting should take place on 21 July 2020. The meeting will cover Dispatch and Settlement (D+S) Processes.