

ESO Markets Advisory Council (MAC)

22nd March 2022 Pre-read

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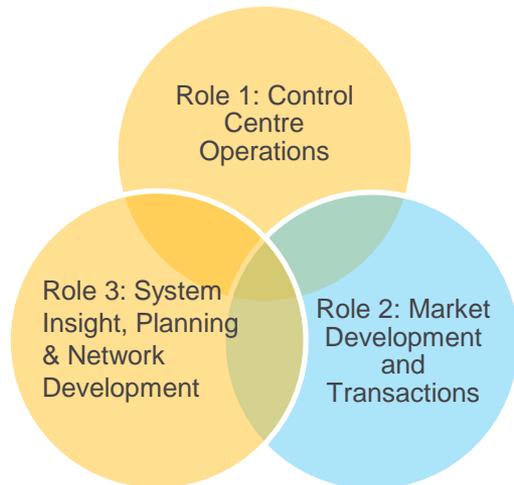
1. Agenda for 22nd March meeting
2. Overview of ESO's strategy and priorities for GB electricity markets
3. Proposed MAC strategic objectives (for discussion at first meeting)
4. Contextual documents and ESO Markets Organisation Structure
5. MAC membership
6. Proposed dates for 2022 meetings

Agenda for March 22nd Meeting

1. Introduction and ways of working
2. Opening discussion: *'In the context of the ESO markets role, what do you see as the biggest challenge in the next 12 months (which the Council can help address)?'*
3. Overview of ESO role in GB electricity markets and priorities
4. Discussion of MAC strategic questions
5. Do we have all the right voices round the table and access to the right information?
6. What topics should we discuss over the next 12 months?

Overview of ESO's strategy and priorities for GB electricity markets

- The Markets Advisory Council will be supporting ESO in its fulfilment of Role 2: Market Development and Transactions
- The Five-Year Strategy and 2022 Priorities give MAC members initial context of our short and medium term priorities



Summary of ESO Roles

Role 2: Five-year Strategy

We will enable the transition to net zero by:

- Developing markets which remove barriers to entry and promote participation from a wide range of technologies, such as demand side flexibility and renewable generation. Stakeholder engagement and innovation (including developing the world's first stability market) are key to this work.
- Delivering industry code and charging reforms, which are a key enabler for market reforms, removing barriers to entry and charging distortions which may result in inefficiencies.

2022 Key Activities

1. Build the future balancing service markets
2. Transform access to the Capacity Market and CfDs
3. Develop code and charging arrangements that are fit for the future
4. Deliver net zero market reform programme
5. Understand and build on our role in Europe

Proposed MAC Strategic Objectives

Do you agree with the questions below? Is there anything you think we have missed?

1. Is the ESO setting the right direction for market reform? What improvements could be made?
 - For example, does ESO taking on an FSO role help this to happen?
2. To what extent does ESO embed stakeholder perspectives and international best practice in market reform recommendations and design thinking?
3. Are ESO's priorities and plans appropriate? What changes would we recommend?
 - For example: How can ESO become a better buyer? Are ESO's revised plans for Reserve Reform fit for purpose?
4. Is ESO managing comms with industry proactively, transparently and effectively?
 - For example, does ESO's submission to Ofgem Performance Panel properly reflect ESO's performance?
5. Are there changes to industry priorities and / or concerns which need to be built into ESO's plans?

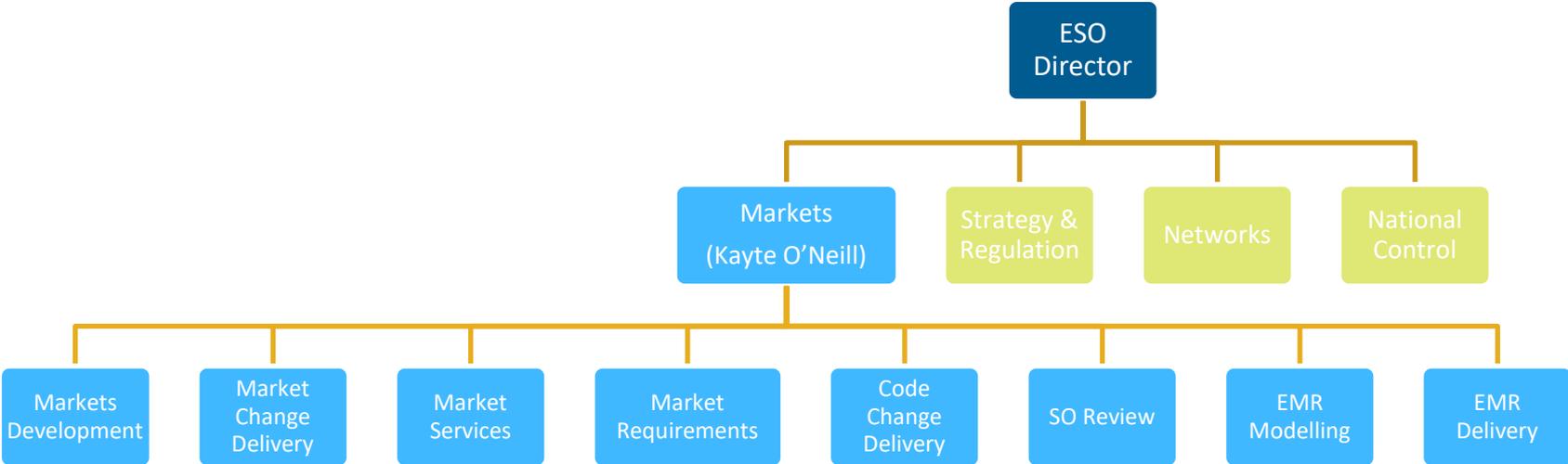
Do we have the right representation at the Council to answer these questions? What data and/or information is needed to inform the answers?

Contextual Documents

The following documents and webinar links provide detail into ESO's ongoing work in electricity market design and reform:

1. [Markets Roadmap](#): Sets out our market design objectives, principles and transformational process to reform balancing services markets. It details our vision for response, reserve, thermal, reactive, stability, and restoration markets as well as the Balancing Mechanism. Key interactions between markets are also explored.
2. [Net Zero Market Reform – Phase 2 Publication](#): presents our conclusions from Phase 2. This document draws together the results of modelling analysis with insights from ESO experts and external stakeholders. We identify the key challenges for markets to address on the road to net zero, set out our framework for assessing the different market design alternatives, and present the list of options we took forward for detailed consideration in our next phase of work.
3. Net Zero Market Reform – Phase 3 Refined Market Design Option webinars:
 1. Operation: [Slides](#) & [Recording](#)
 2. Investment: [Slides](#) & [Recording](#)

ESO Markets Org Structure



MAC Members and Bios

Name	About
Mark Copley	Chief Executive, European Federation of Energy Traders Previously: Deputy Director EU Exit, Energy & Climate at BEIS
Rachel Fletcher	Director Regulation and Economics, Octopus Previously: Chief Executive, Ofwat; Senior Partner, Consumers & Competition, Ofgem
Rob Gross	Director, UK Energy Research Centre Previously: Director of the Centre for Energy Policy and Technology at Imperial College London
Steve Jennings (Chair)	Non-executive Director, Cornwall Insight Previously Partner, Energy & Utilities Sector Leader, PwC
Angela Love	Director of Future Markets and Engagement, Elexon
Andrew McAleavey	Founder, CFO and COO, Penso Power Ltd Previously Interim CFO, Limejump
Angus MacRae	Head of Electricity Strategy, SSE
Alastair Martin	Founder and Chief Strategy Officer, Flexitricity

MAC Members and Bios

Name	About
Cathy McClay	Trading and Optimisation Director, Sembcorp Previously Head of Future Markets, National Grid ESO
Guy Newey	Strategy and Performance Director, Energy Systems Catapult Previously Energy and Climate Adviser to BEIS Secretary of State
Richard Nourse	Founder, Greencoat Capital Previously Director, Shareholder Executive
Rebecca Sedler	Commercial, Customer and Regulation Director, National Grid Ventures Previously Director of Net Zero Strategy & Policy, EDF
Paul Troughton	Senior Director of Regulatory Affairs, Enel X UK Previously Senior Director of Regulatory Affairs, EnerNOC
Simon Virley	Vice Chair and Head of Energy and Natural Resources, KPMG Previously Director-General for Energy Markets and Infrastructure at the UK Department of Energy and Climate Change
Marzia Zafar	Director of Sustainability & Energy Policy, Kaluza Previously Director of Insights, World Energy Council

MAC Members and Bios

Name	About
Ofgem observers: Charlotte Ramsay	Director, Energy Systems Management & Security, Ofgem Previously Program Director, Future Role of the System Operator, National Grid ESO
Richard Smith	Director, Energy Systems Management & Security, Ofgem Previously Commercial Director, National Grid ESO
Kayte O'Neill	Head of Markets, ESO
Cian McLeavey- Reville	Senior Manager, Market Development, ESO
Kyle Martin	Senior Manager, Market Change Delivery, ESO
Izzie Sunnucks (Technical Secretary)	Market Strategy Lead, ESO

Proposed dates for 2022 meetings:

- | | |
|------------------------------|---------------|
| 1. 27 th April | 13.00 – 16.30 |
| 2. 5 th July | 13.00 – 16.30 |
| 3. 5 th September | 13.00 – 16.30 |
| 4. 7 th December | 13.00 – 16.30 |