

# Incentives Monthly Monitoring Meeting

## Meeting Minutes (December 2022-23 Report)

### Details

Date:	<b>31 January 2022</b>	Location:	<b>Teleconference</b>
Time:	<b>13:00 - 15:00</b>	Meeting Number:	<b>51</b>

### Agenda

Ref	Time	Title	Owner
1	13:05 – 13:20	<b>SME slot – Balancing Costs</b>	ESO
2	13:20 – 13:50	<b>RRE 2E Accuracy of Forecasts for Charge Setting - BSUoS</b>	ESO
3	13:50 – 14:00	<b>ESO to highlight notable points from the published report</b>	ESO
4	14:00 – 14:10	<b>ESO to take questions on the published report</b>	ESO
5	14:10 – 14:20	<b>Ofgem to give feedback on ESO performance</b>	Ofgem
6	14:20 – 14:40	<b>Review actions &amp; AOB</b>	All

### Participants

Name	Company
Simon Targett	ESO
Phil Smith	ESO
Filippos Panagiotopoulos	ESO
Daniel Drew	ESO
Rebecca Knight	ESO
Mark Robinson	ESO

Name	Company
Samar Ahmed	Ofgem
James Hill	Ofgem
Matthew Fovargue	Ofgem
Adam Gilham	Ofgem
Kirsten Nazareth	Ofgem

## Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
44	127	09/06/22	September 2022 tbc	All	Organise wind forecasting deep dive sessions <i>Latest - Currently deprioritised, unlikely to take place before BP2 period</i>	Open
45	133	07/07/22	TBC	ESO	Categorisation of balancing costs: ESO to share breakdown of costs for previous months once the categorisation issue has been corrected. <i>Latest – ESO currently unable to provide a date for resolution</i>	Open
48	148	29/09/22	25/10/22	ESO	ESO to provide more clarity on cost saving actions in future meetings. <i>Update – Adam Gilham emailed Tom Carr but no response. Adam and Phil to reach out to Tom again</i>	Open
50	155	09/01/23	31/01/23	ESO	ESO to arrange a session with Ofgem in the Control Room in Wokingham for the ESO to walk through operational decision making in person. <i>Update – Ofgem to get back to us with suitable dates</i>	Open
50	156	09/01/23	31/01/23	ESO	ESO to arrange a session with Ofgem to talk through the timeline of decisions and actions taken on 12 December 2022 <i>Update – ESO to propose date to Ofgem</i>	Open
51	164	31/01/23	02/03/23	Ofgem	<b>NEW</b> James to take away and relook at the elements of 2E and see if it is reporting what we want it to and what it's telling us. Will contact incentives team if still not clear after review	Open
51	165	31/01/23	02/03/23	ESO	<b>NEW</b> Make sure Metric 1B demand forecasting is included during BP2 discussions to determine key driver why it marginally is below expectations some months	Open
51	166	31/01/23	10/02/23	ESO	<b>NEW</b> Simon to confirm the exact dates we want to push back to for event and publication date.	Open
51	167	31/01/23	02/03/23	ESO	<b>NEW</b> Phil to set up slot in next month's meeting, to discuss CBA and case study templates. Also maybe add in other areas of the report to review at the same time	Open

51	168	31/01/23	02/03/23	Ofgem	<b>NEW</b> Ofgem to agree the 28th is a good date (for early view VfM) and who they would like to attend and inform ESO.	Open
51	169	31/01/23	10/02/23	ESO	<b>NEW</b> Simon to take away and communicate what date Ofgem should have the data for 2B	Open
51	170	31/01/23	03/02/23	ESO	<b>NEW</b> Phil to organise catch up session on Friday, on Metric 1A benchmark. Phil to chase Filippou in to providing the monthly and daily figures to Adam	Open
51	171	31/01/23	02/03/23	Ofgem	<b>NEW</b> James will respond to new no longer valid milestones. James is looking for more information before changing them to no longer valid.	Open

## Discussion and Questions

### 1. SME slot – Balancing costs

**December balancing costs:** Filippou Panagiotopoulos talked through drivers of the month's balancing costs.

Question	ESO response
Adam – Is the Minor Components Issue fixed? When are you expecting this to be fixed? Will this change things retrospectively once fixed?	It's an issue with the IBM. They need to be sure if they start to do changes in the script that they don't destroy the database. We can correct it easily in our Excel spreadsheets or in our reports, but we need the solution from the database end. This is because we need to have this transparency that everything is correct in the database and Excel spreadsheets that we share with people. No date on when it will be fixed.
Adam - On your very high-cost day, what was the main driver behind that? Reason volume was so much higher on that exact day? Specifically, about the volume of £0 actions on the high-cost day. What was the cause/breakdown of the day that resulted in such a spread?	<b>Action:</b> Filippou: Take this away and answer after the session – this has now been answered by Filippou

### 2. RRE 2E Accuracy of Forecasts for Charge Setting - BSUoS

Dan Drew talked through the elements related to accuracy of forecasts for charge setting. This included historic balancing costs, Renewable proportion of demand variability, Wholesale electricity price variability and why balancing cost forecast is probabilistic.

James said that the presentation was helpful. He will look into previous reports to try to understand how to assess ESO's performance, and come back to the ESO if he has further queries.

**Action:** James to take away and relook at the elements of 2E and see if it is reporting what we want it to and what it's telling us. Will contact incentives team if still not clear after review.

#### 4. Questions on Metrics/RRE's

Question	ESO response
Adam - Looking at demand forecasting, we've consistently been below expectations. Beyond what's already been shared with us, is there any key driver causing this as it is very much marginal on some of those months?	This aligns with the discussion about the metric for BP2 We will look at it internally and continue the discussion with Ofgem as part of the BP2 discussion on this metric <b>Action:</b> discuss metric as part of BP2 discussion

#### 5. Feedback on performance

Area	Feedback
Feedback on performance	James – Has nothing to share regarding recent performance. This is because we are currently in regular contact with the ESO, and hopefully you're receiving all the feedback you need. If not, please reach out to us.

#### 6. Review actions & AOB:

1. Simon sought out answers to key dates for the publication and event dates. Kirsten agreed the event dates can be pushed back a week from the first week in June. Also, the publication date can be moved back but to bear in mind this would then have a knock on effect and delay the decision by the same amount from their end. Kirstin confirmed publication of the decision is fluid up until 31<sup>st</sup> August. However, if our publication date is changed then the 31<sup>st</sup> of August timeframe would change.  
**Action:** Simon to take away and confirm the exact dates we want to push back to for event and publication date.
2. CBA and Case study templates – Phil asked: "Do you think that the way we have set them out in the past is that what you want to see this time or is there anything you would change?". Adam said we need to set aside some time to discuss this further as he has had some thoughts on this already, just not the correct time to discuss.  
**Action:** Phil to set time aside, perhaps in a slot during next months meeting, to discuss. Also maybe add in other areas of the report to review at the same time
3. Value for Money – ESO confirmed early view meeting proposed date is the 28<sup>th</sup> Feb and looking to get this agreed and attendees list so can be put in calendars.  
**Action:** Ofgem to agree the 28<sup>th</sup> is a good date and who they would like to attend and inform ESO. ESO then arrange early view meeting for 28<sup>th</sup> February if date is ok.
4. Data request for Role 2 metric/RRE (2B) – Ofgem want to know when they will get the data through they have requested. This is so they can set out the benchmark and agree on the approach they are taking to forecast this metric/RRE.  
**Action:** Simon to take away and communicate what date they should have the data by.
5. 1A Benchmark – Phil has sent the data over to Adam to look over. Friday catch up is currently fine, but subject to change if Adam hasn't had time or not enough information supplied.

**Action:** Phil to organise catch up session on Friday around the same time as before, subject to change. Phil to chase Filippos in to providing the monthly and daily figures to Adam.

6. No Longer Valid milestones requests (A16.3 and A16.4) – ESO proposes for these 2 milestones to move to no longer valid. James doesn't think there's a large amount of push back within Ofgem on them becoming no longer valid. However would like to understand why they were valid milestones in the first place and what has happened from 2020 to now to change this.

**Action:** James will respond. Simon to prep the team that James is looking for more information before changing them to no longer valid.

No other questions asked at the end of the session.

## Previously Closed Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
46	142	01/08/2022	30/08/2022	Ofgem	Approve minutes from monthly meetings from May onwards	Closed
49	150	28/11/2022	04/01/2023	Ofgem	End of Scheme report / events. Ofgem to provide views on: <ul style="list-style-type: none"> <li>• In person vs virtual events; when the events will take place and who will arrange them, Ofgem or ESO?</li> <li>• Value for Money: Is an 'early view' meeting required and if so when?</li> <li>• Dates for Call for Evidence.</li> </ul>	Closed
49	151	28/11/2022	04/01/2023	ESO	Post report engagement / timeline – to be added to agenda at a future meeting	Closed
49	154	28/11/2022	04/01/2023	ESO	ESO to add an agenda item in a future month to discuss the reporting of CBAs in end-of-scheme report.	Closed
50	157	09/01/2023	13/01/2023	ESO	ESO to arrange session to discuss development of the Metric 1A benchmark	Closed
50	158	09/01/2023	31/01/2023	ESO	ESO to arrange End-Scheme Value for Money early view meeting for February	Closed
50	159	09/01/2023	13/01/2023	Ofgem	James to follow up regarding alternative costs and methodology by email	Closed
50	160	09/01/2023	31/01/2023	ESO	Future of balancing services newsletter- ESO to look into Ofgem suggestion for this to be a more regular publication.	Closed
50	161	09/01/2023	13/01/2023	ESO	ESO to confirm if the minor components data issue impacts both costs and volumes	Closed
50	162	09/01/2023	13/01/2023	ESO	ESO to provide an update on including the NTC data in the next MBSS report.	Closed
51	163	31/01/23	31/01/23	ESO	<b>NEW</b> Filippos to take Adam's questions away "On your very high-cost day, what was the main driver behind that? Reason volume was so much higher on that exact day?" and answer after this session	Closed