

Dispatch Transparency Event – 5th December 2022

Q: Please can you share these slides

A: The slides have been uploaded here: <https://www.nationalgrideso.com/document/273316/download>

Q: Please could dates when functionality that will become part of OBP be deployed in ORT/SPICE be published so we can look for step change changes in behaviour?

A: Details of the Balancing Programme delivery timeline are shared as part of the regular quarterly engagement events where we update the industry on what our Balancing Programme have been delivering. More details are available at: <https://www.nationalgrideso.com/industry-information/balancing-services/balancing-programme>

Q: Do you foresee adding more tags for non-system actions that allow market participants to understand the reason behind an out-of-merit BOA?

A: There are no plans at present to change the tagging categories

Q: Can we increase the question character limit please? Not many characters for a complex topic!

A: Unfortunately, we are constrained by the limitations of Sli.do. We will look in to whether it is possible to increase the character limit for future events. We welcome your suggestions for alternative tools we could use

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Q: How does the current lack of live knowledge around state of charge of battery storage impact how batteries are used in BM compared to other assets?

A: Not a significant impact at the moment, which is facilitated by the 15-minute MEL rule. As growth of storage of all types continues to grow, efficient dispatch is likely to require more information about the state of energy.

To support this the Balancing Programme is working with their Storage Stakeholder group. They will welcome your input to ensure we develop plans that are ambitious, achievable, and have considered the priorities of our stakeholders. If you would like to join us, please email us at: box.balancingprogramme@nationalgrideso.com

Q: Live question around MFR contracts – have we armed small units?

A: We publish information about all instructed MFR volumes every month on our website [Mandatory response services | National Grid ESO](#)

Q: How will N-side and the new EAC impact small asset dispatch and optimisation?

A: The new Enduring Auction Capability developed with N-Side will allow the ESO to optimise procurement of response and reserve, and simplify the submission process for providers as they will not need to choose which market to enter but will be able to submit prices for all eligible co-optimised markets. This will change the procurement process of ancillary services, and minimise the chance of service requirements not being filled, but won't impact the size of participants in the market and so we don't see this having a direct impact on the dispatch of small assets.

Q: Batteries aren't always expensive! Some batteries actively price ahead of the pumps

A: Yes – we are working on the tools available to the energy team to make the most use of this capacity.

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Q: Are all system flagged actions set aside? Within a constraint, actions should still be economic and not skipped.

A: System flagged actions are taken in an economic order.

Within an active constraint, available units are not skipped by default of being within that constraint, but decisions on taking actions need to consider the impact on managing the constraint and the total costs including any additional actions required. There are several times of constraint, not just thermal export ones – so the actions required, and subsequent cost, will depend on this.

We would caution using the Dispatch Transparency tool in isolation for determining this - the available data does not support reliable interpretation of this situation and should be considered with wider data inputs for a full view.

Q: Which of the scenarios discussed by Jean are expected to be answered by Bulk Dispatch?

A: Our first release of Bulk Dispatch will allow multiple instructions, in one step, to be sent to small BMUs. This will alleviate control room workload. These instructions are optimised while obeying dynamic parameters.

Before the release of Bulk Dispatch, we are also making changes to existing tools to reduce workload.

Q: Is the distributed resource desk still in operation?

A: We believe this question refers to a desk to manage despatch of small BMU units. If that's the case, this was a temporary measure (put in place a number of years ago) for us to gain more understanding of the despatch of small units.

Our understanding has increased since then, as have the number of assets and while we don't have this as a permanent resource, we do assign additional resource for days which are forecast to be more operationally challenging for a number of reasons.

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Q: Running a unit at sel for mnzt/delay desynch is an option payment for reserve. Payments unavailable to flex with better dynamics. Is this a market design flaw?

A: NGENSO is currently developing the Balancing Reserve service which will allow us to buy the reserve capacity currently accessed in real time through the Balancing Mechanism at day ahead instead. As energy instructions are therefore not needed to position the plant to be able to deliver the reserve, we expect that this service will allow flexible providers to be valued through availability payments

Q: How are you going to measure the performance of the new dispatch tools? Shouldn't this be done by a third party?

A: Before we go live, we are carrying out extensive testing of new tools by comparing to our existing algorithms. To date we have taken a number of historic days and carried out a comparison but before we go live, we will be running new tools in “shadow” mode so that we can compare the tools over an extended period.

Q: If a unit has found to have been truly ‘skipped’ should it be entitled to compensation?

A: Events like today are crucial to give us insight into the industry’s view on our activities and many of the discussions today have come down to the understanding of “skips” and “true skips”.

We introduced the dispatch transparency dataset to allocate reasons to those actions not taken in merit order and the reasons for this. We know that at times we can’t allocate a reason to these skips and the dataset shows this is consistently below 1% of the actions taken in any month.

We do not determine whether a skip is “true” for each day (given the a small percentage of reason unallocated actions), however assurances around our despatch and BM processes are given through the Balancing Principles Statement and Balancing Mechanism Audits.

Balancing Programme Quarterly Event – 9th February 2023

Q: Do you have any stats on how effective the recent changes made have been on reducing skips rates - especially for batteries!

A: I don't have stats on this.

Our despatch transparency dataset tracks the number of unallocated skips – from October we've seen between 0.4 and 0.3% of actions which are unallocated reason codes. We don't break this down by technology type.) To be clear, we are seeking to reduce unallocated skips, there will likely always be occasions when we will need to take actions out of merit depending on the operational situation. Around 99.6% of our actions that have reason groups allocated (category applied, or reason group applied).

Q: Can we change the definition of a skip to cover reasons under Frequency - time to make decision, complexity of decisions and efficiency of dispatch process

A: Thanks for the feedback, we are taking this away and will try to make the terms we use for the classifications more specific and also try to explain logic behind skips in more detail

Q: Skip rate explanations are qualitative. Tesla would like more objective, measurable metrics around skips. They believe that 70% of actions outside of merit order are marginal and could be interpreted as skips

A: We'd really welcome additional ideas for metrics that would be of use to the industry so please do engage and give us your ideas. We'd like to understand what additional transparency you'd like to see and the benefit behind this for the industry.

Our new platform will give us auditable reasons for some of the actions taken (documented, logic based bulk dispatch decisions). Moving towards this means the reasons are captured at the time of the decision, providing greater insight into dispatch decisions.

Balancing Programme Quarterly Event – 9th February 2023

Q: There is a mis match between industry's definition of a skip vs ESO's definition of a skip. Can we provide additional narrative

A: We will continue to publish reason codes for action out of merit order – our regularly reported evidence 2E in our monthly report has between 0.3-0.4% of actions taken out of merit which do not have a reason code assigned.

Over the next financial year we will work to provide additional information and clarification on our despatch decisions and resulting actions.

In the September example, 3 of around 2700 total actions did not have a reason code assigned. Providing specific additional narrative against this small number of actions is resource intensive and outweighs the benefit we believe would be achieved.