

An aerial photograph of a river with white-water rapids. The water is a mix of dark green and white foam. On the right side, there are several bright blue, wavy, energy-like streaks that appear to be superimposed on the image. The overall scene is dynamic and energetic.




Balancing Costs Portfolio

Updated February 2024

Balancing Costs Portfolio

Category	Initiative	Implementation Stage	Qualitative Impact
Network Planning & Optimisation	<u>Constraint Management Pathfinder (Intertrip Service)</u>	Active	Major Significance
	<u>Regional Development Programmes (RDP)</u>	Active	Major Significance
	<u>Power Potential</u>	Active	Moderate Significance
	<u>Accelerated Strategic Transmission Investment (ASTI) framework</u>	Active	Major Significance
	<u>Pathfinder Project – Voltage</u>	Active	Moderate Significance
	<u>Pathfinder Project – Stability</u>	Active	Major Significance
	<u>ESO Improvements to Outage Optimisation Methodology</u>	Active	Major Significance
	<u>Western Link HVDC (part of ASTI)</u>	Active	Major Significance
	<u>Eastern Link HVDC (part of ASTI)</u>	In Development	Major Significance
	<u>Connections Reform</u> – Underway but not finalised	Active	Uncertain
	<u>Auto-Switching Software</u>	Trial	Moderate Significance
	<u>Storage to Relieve Constraints – Strategic Cycling</u>	To be considered	Uncertain
	<i>Location of future onshore wind*</i>	To be considered (NESO)	Uncertain
	<i>Location of Electrolysers*</i>	To be considered (NESO)	Uncertain
<i>Location of new Nuclear (SMRs)*</i>	To be considered (NESO)	Uncertain	

‘Qualitative Impact’ measures are an approximation of Balancing Cost Impact and not to be taken as a final assessment.

 Minor Significance < £20m
  £20m < Moderate Significance < £100m
  Major Significance > £100m

Active = Initiative is currently operational
In Development = Initiative is being developed but is not yet active
Under Review = Initiative is being reviewed externally
Under Consideration = Initiative is being reviewed internally
Trial = Initiative not yet fully live, but being trialled

To be considered = ESO to conduct a review and to formulate a view
To be considered (NESO) = To be considered as part of the wider remit of the NESO although some analysis is currently being performed by the ESO




* Whilst the ESO does not decide energy policy, whole energy system planning is in scope for the NESO



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Commercial Mechanisms	Single Markets Platform	Active	Uncertain
	Response Reform : Optimise response DC, DM, DR	Active	Major Significance
	Reserve Reform e.g. balancing reserve, slow reserve, quick reserve	Active	Major Significance
	Improvements to BSUoS forecasts	Active	Major Significance
	Improvements in trading processes	Active	Major Significance
	Delay-de-sync	Active	Major Significance
	Code Change: Interconnector Ramp Rates	Under Review	Major Significance
	Local Constraints Market	Under Consideration	Minor Significance
	CfD interaction with BM review	Under Consideration	Major Significance
	Voltage strategy – market for reactive power	Under Consideration	Major Significance
	Stability Market	Under Consideration	Major Significance
	Transmission Constraint Licence Condition (TCLC) guidance consultation	Under Review	Uncertain
	BM Accessibility	Under Consideration	Uncertain

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Commercial Mechanisms	Locational Pricing*	To be considered (NESO)	Uncertain
	Non-marginal Pricing*	To be considered (NESO)	Uncertain
	Review of constraint payments*	To be considered (NESO)	Uncertain

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Research, Innovation, Engagement	<u>Innovation D Heat project with SSEN</u>	Active	Uncertain
	<u>SO:TO Optimisation trial OTI-F / STCP11.4</u>	Active	Major Significance
	<u>TAC: Technology Advisory council</u>	Active	Uncertain
	<u>Inertia monitoring and forecasting</u>	Active	Moderate Significance
	<u>FRCR</u>	Active	Major Significance
	<u>Dynamic Line Rating</u>	Trial	Uncertain

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ESO Capabilities	<u>Platform for Energy Forecasting (PEF)</u>	Active	Major Significance
	<u>Open Balancing Platform</u>	Active	
	Balancing Asset Health	Active	
	<u>Primacy Rules for ESO/DNO Coordination</u>	Under Review	Major Significance
	<u>DER Visibility</u>	Under Review	Major Significance
	<u>Code change: Improving transparency and consistency of access arrangements across GB</u>	Under Review	Major Significance
	<u>Code Change: New balancing programme parameters for storage</u>	Under Review	Uncertain
	SCADA enhancement	Under Consideration	Uncertain
	PN Accuracy Improvements	Under Consideration	Moderate

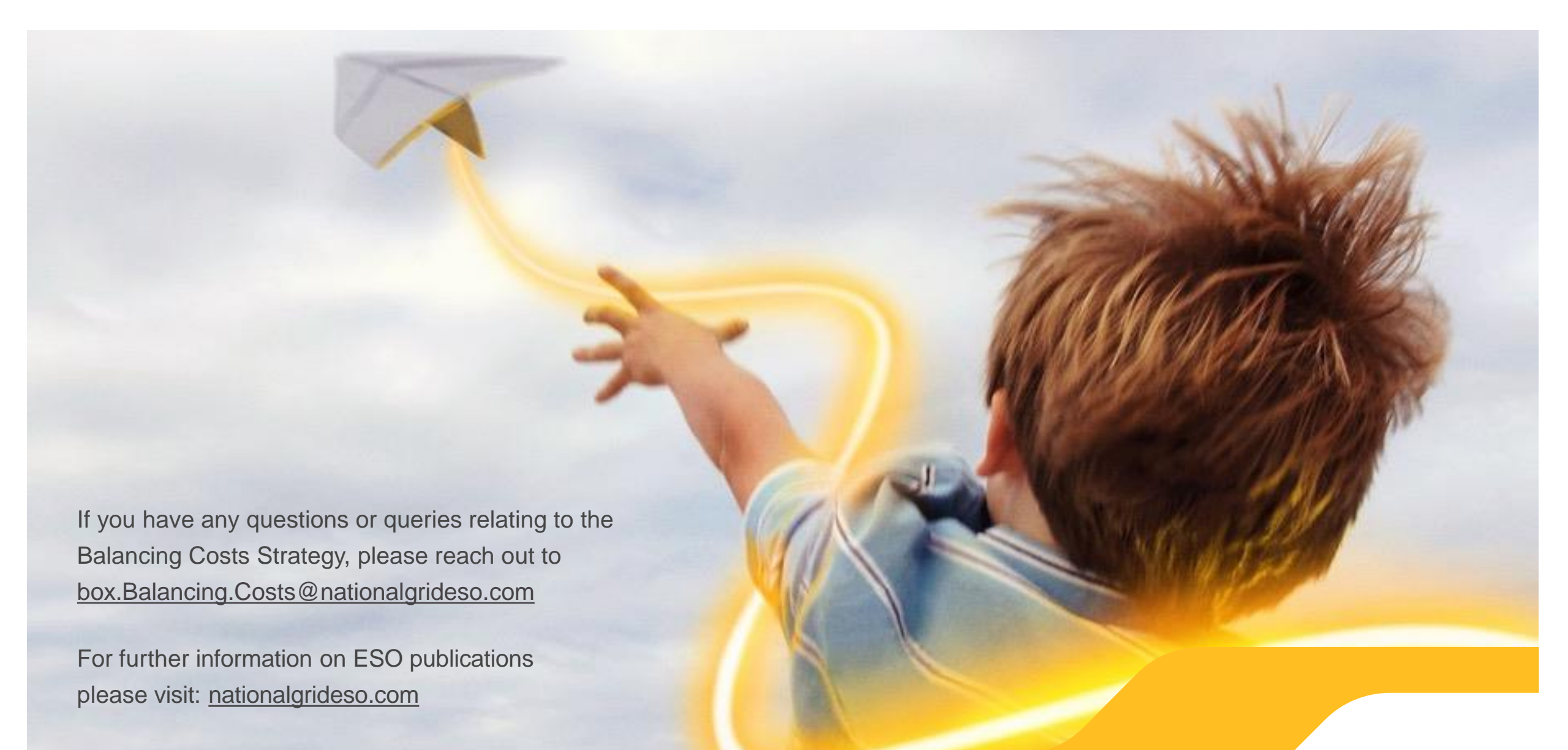
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If you have any questions or queries relating to the Balancing Costs Strategy, please reach out to box.Balancing.Costs@nationalgrideso.com

For further information on ESO publications please visit: nationalgrideso.com