

Meeting Summary

CISG Sub-Group - Connections strategic change & impact to CUSC (Meeting #4)

Date: 26/09/2023 **Location:** MS Teams
Start: 09:00am **End:** 10:15am

Participants

Attendee	Company	Attendee	Company
Camille Gilsean (CG)	ESO (Chair)	Alison Price (AP)	ESO (Tec Sec)
Joseph Henry (JH)	ESO (Presenter)	Will Kirk-Wilson (WKW)	ESO (Presenter)
Angie Quinn (AQ)	ESO (Presenter)	Djaved Rostrom (DR)	ESO
Andrew Colley (AC)	SSE	Helen Stack (HS)	Centrica
Dennis Gowland (DG)	Research Relay Ltd	Garth Graham (GG)	SSE
Alex Ikonic (AI)	Orsted	Lisa Waters (LW)	Waters Wye
Claire Hynes (CH)	RWE	Suzanne Law (SL)	Scottish & Southern Electricity Networks
Paul Youngman (PY)	Drax	Deborah MacPherson (DM)	Scottish Power
Grace March (GM)	Semcorp		

Please note: These notes are produced as an accompaniment to the slide pack, [link here](#):

Introduction and ways of working – CG

CG introduced the meeting.

The need for a CUSC modification - JH

JH outlined our stance that ESO current view is that no CUSC modification is required and that our plan is to operate within existing policy. DM says that whilst the comms was not best managed, she sees this as a positive step forward as the non-firm product already exists so struggles to see why a CUSC change is needed; this is an extension of an existing product which allows advancement of a BESS non-firm product. GM stated that she noted Angie’s point that the comms can sometimes be confusing and the ESO has to be careful with wording to avoid confusion.

GG referred back to ESO’s press release on BESS and non-firm and the quote “this is a significant step change in policy” being the ESO’s view at that time. GG believes that therefore this is a change in policy.

ESO

WKW highlighted that we have had many conversations in this sub-group where we have clarified that the wording used could be improved and re-iterated the ESO view that this is an extension of BAU.

AQ said it was a refinement in the application of the policy rather than a step change of the policy. The policy is to allow connection ahead of the non-critical works on the basis of the customer choice. AQ does not see it as a change in general policy, but an evolution of the scenarios in which the ESO would apply the policy.

AQ re-iterated that the wording in the press statement could have been improved.

GG says he thinks a discussion is needed in what leads to design variation in the SQSS as 10GW in a month is significant. GG would like to understand impacts on parties, as this is different to what happens in BAU. He would like someone to talk the sub-group through the design variations of an intact system.

WKW stated that we should bear in mind that there are currently many generators on the system with design variations and in comparison, the Tranche 1 volumes are not relatively huge. GG noted this is tranche 1 and the numbers could grow.

AQ said the processes that are to allow people to get on in a way that the ESO can manage. The design principles of a variation are for us to be able to manage the problems which may arise. Whilst this may make the system more complicated for the ESO to manage, however, we have got more comfortable in our ability with the tools to manage it so that the restrictions can be applied safely with risks to the transmission system mitigated.

PY accepts scale is different. The change of this scale would usually be accompanied by a proper assessment. Nervous there is no assessment and if there has been, would like to see it. Questioned compliance with the license.

AQ stated from a system operability point of view we can manage requests from customers, but it is for customers to apply and be comfortable with that the offer is suitable for them. PY said this is why the modification process would usually provide this assessment, leading to Ofgem approval.

AQ said that anybody could apply for a design variation and ESO would have to manage this. We are applying the code as is and are promoting the opportunity to users to take advantage of this. We are confident internally that we can identify and apply the restrictions. We would not be putting this forward or offering it if we were not satisfied that could manage the consequences. These are interim restrictions and works to remove restrictions are ongoing to the timescales communicated.

PY said this is for one class of customer only. AQ - The nature of the way that batteries operate is that their effect on the system is different to other types of generation. The assessment was that it was easier to manage the effect of batteries on this system in an evolved way. Anyone can ask for a design variation. PY stated that we still have not seen this assessment.

LW stated that smaller parties who already feel discrimination because of the quantity of skip rates in the system do not feel ESO are resourcing up to manage this, as it does look like a very manual process and if we find that the control room interrupt storage and are not working on efficient dispatch of existing plant this could be discriminatory. WKW stated he agrees and that this is a challenge but there is a commitment to resource up to improve efficiency and that internal processes need to support efficient operation. We have designed the product so that we will notify storage at 1:30pm at D-1 as to whether we think they will be off- MIL/MEL to zero, which minimises the impact to control room but allows them to participate in ancillary services and support the system thereby reducing balancing costs. We are developing two solutions in parallel, the mandraulic approach or an IT approach where we will be publishing to the web. We have two years to complete this. LW said its sounds encouraging but not convinced that the control room will be up sourced in time. Slightly worried that for IS to do this work, may mean it is going to get a higher priority than dynamic parameters. Not opposed to policy per-se but is very worried about the lack of assessment and planning to get there.

Question from chat by Garth: "Will, is that notification issued by 01:30 or 13:30 D-1?"

WKW confirmed 13:30 day -1, as there is the frequency auction at 14:00. Will not be firm at 13:30 before 14:00 frequency auction as there still remains potential that they will be curtailed later but likely only where there has been an outage/fault which changes the background - which we foresee being rare. GG echoes LW point. GG questioned whether it is a policy change based on this. And why everyone isn't being offered a design variation? WKW said AQ had answered this already – initially storage as it supports system operation

but potentially the approach might be rolled out wider. GG said this does not quite work in the context of what the ESO have always done. It again comes down to communication from the ESO being confusing. AQ stated that she thinks the reason it is batteries is down to how batteries operate, and their characteristics allow the application of the tools to manage the restrictions in real time against an intact system. AQ re-iterated that anyone is entitled to a design variation request, and this is not precluding people from a design variation but promoting the type of design variation for batteries. PY said CUSC workgroup is useful as the ESO could provide justification as to why it is being provided by batteries only. There should be more analysis on the background or there should be a CUSC modification.

JH concluded that this conversation has been useful. The remaining two slides are a reminder of what the ESO stated in the first sub-group. It was useful for the ESO to hear concerns about resource and analysis not being shared, however he does not think it changes anything from a ESO viewpoint at this time.

REMIT- JH

JH covered that at the last sub-group, there was conversation around REMIT and outage data – and that information should be made public to avoid trading disadvantages. The slide in today's pack has been updated, as per GG's email which he sent yesterday.

HS asked for clarification on what outage data we mean. AQ said that the principle of design variation in the true BAU sense, requires notification of outages on the transmission system that are going to affect a specific generator. Under the OC2 process which may impact generators, that information is already exchanged. Under this, there is not specific outage information being exchanged with the battery party, but they would have an obligation under REMIT to publish if availability restricted. ESO would have to report irrespective of new process of restrictions. We are not sharing more outage information with these generators.

HS asked what size of generator the obligation would kick in at. AQ/GG advised that it was 100MW. HS has some familiarity with distributed connected generation, and wanted clarification due to the size difference. GG said it's not just outage but also curtailment information. This is an intact system; there is just too much energy behind the system. Therefore, as the battery has to be turned off, why isn't ESO publishing this information as it may cause insider information? Information should be published on this.

AQ asked GG to clarify understanding of energy data task force principles that all information should be published all of the time. GG gave an example of the system having too much output, where ESO and battery know that there may be a curtailment, but other parties do not. Other parties would expect different behaviours from that battery other than those being potentially exhibited. Firm vs non-firm issues discussed where a firm connection could be disadvantaged by not having this information. AQ says this feels like a general market question as opposed to REMIT. AQ not sure what the ESO would publish in this scenario and under REMIT you need to be careful about information and opposite impacts on the market. ESO working on practicalities of this. WKW agrees. Working up process as we speak. Will take away feedback on constraint notification.

New Action 028 on WKW/AQ - to review the feedback received on constraint notification from sub-group and consider the constraint notifications throughout the development of the BESS non-firm product.

New Action 029 on - ESO to clarify what constraint data we publish in real time.

PY agreed with GG view on non-homogenous projects competing and how you provide impacts in day. Potential connectees may take advantage as they would provide all information on local network configuration in order for the party to derive their own likelihood to interrupt. This information would not be made available to the rest of the market and would be impactful. As WKW mentioned, if you are providing all the data a party would require to calculate and derive a decision on whether to take the opportunity, it's this information where there are concerns, as the users may not be able to trade if they have information which you're providing exclusively which isn't available to the market – information provided before the contract is agreed, before the day (day -1) and within day.

AQ states the concept of design variation allows for the request of this information to help them decide and is set out within CUSC. This is the processes being followed, in the same way we do with other parties in BAU. Not aware we are giving information which is not already publicly available. We are just giving them blocks of information in a different way. WKW reiterated that it is standard BAU information; public data already in ETYS, the TEC register and FES which creates a GB model to assess connections. We are sending outage data the same as we send to existing non-firm parties and are going to circulate a TEC register at the time of connections so they understand the people ahead of them and effectively their queue position. AQ agrees with understanding – information publicly available but packaged into one place so judgement can be made on whether there will be impacts. Not real time and only used to understand whether to choose non-firm.

GG understands that non-public information would be made available from previous sub-group and reiterated he got the impression that not all information to be provided is currently published. ESO stated constraints will only occur in rare occasions; how does contacting party quantify very rare, and how would the rest of industry quantify this? Very rare implies extremely limited. From discussions GG's impression is that this could be happening on repetitive occasions. AQ accepts there is more work to do on the processes that sit behind this. Customer to make the assessment whether they are happy to take the risk of this being applied. Choice is there for customer to accept or not. Need to recognise the limitations. These are steps where ESO are not quite there yet and is a consideration for parties as to whether they feel comfortable commercially in doing so. WKW agrees.

GG said his view is still that “very rare occasions” from ESO statement needs to be quantified as occurrence can change seasonally, which could affect the commercial viability.

PJ is getting more comfortable with REMIT situation – the definition of insider information under REMIT includes the “likely significant effect on the prices of energy products”. If you are talking about local constraints and small facilities, then you aren't getting into that territory. However, if it is wider system conditions, this needs to be considered. Puts the onus on facility owners in terms of trading or a prohibition of trading. Telling people that they will come off in certain conditions is different to telling people about constraints on boundaries at certain times of the day – that has wider implications. AQ agrees with PJ. Feels there is a wider desire for information point as opposed to any consequences of remit by notifying restrictions.

DG gave an example of the Orkney RBZ distribution system which gives parties the option to export onto the transmission system. Last in first out operated. If you are in this position, you are curtailed first, Generators will be given a window where they can generate but generate less until they are given a signal to stop. This was set up with Ofgem permission but there are lessons to be learnt from this which may be useful here. HS also highlighted that transparency at distribution level, the info sent to connectees with curtailable offers are available on the UK Power networks website. From a connectee point of view, it is important that this information is of good quality so that the person taking the curtailment or flexible option can understand viability.

JH – regarding REMIT concerns, it feels like there is more acceptance/comfort of REMIT. But maybe some points from Garth to consider around homogenous sites.

Actions Log – actions not discussed at last sub-group (actions 19 & 21)

Action 19 Additional non-firm consideration in product design – WKW not in a position to share detail today but will continue to share detail when it becomes available. Next meeting – desire from PY to share analysis and impact to parties.

WKW suggest action is closed, and we continue to share where are on this in this meeting, and other forum.

Action closed by CG.

PY checked that CM vs non-Firm legal standpoint action had previously been raised. WKW thought it had but action was closed as LW previously said if you had TEC you could bid into the CM. AQ said she would need to check. Her recollection is that non-firm does not prevent CM participation but there could be consequences

for non-availability. PY asked WKW if he was clear on this. AQ and WKW to take offline. This is an action already [is a consideration under action 006].

Action 21 Non-firm and stacking – DG has touched on this earlier in the meeting around looking at lessons learned. WKW stated working with SP and SSE to develop policy. PY stated this reiterates CUSC mods best way for transparency.

Action closed by CG.

AOB

Next Meeting 24th October.

Action Item Log

Action items: In progress

ID	Description	Owner	Notes	Target Date	Status
004	Non-firm updates	WKW/DR	Update sub-group as non-firm solution develops	26/09/23	C/Forward
005	Non-firm and Capacity Market	WKW/DR	Speak to DESNZ to confirm that they are aware that the non-firm initiative restricts Users from participating in the CM	26/09/23	C/Forward
006	Non-firm and Capacity Market	WKW/DR	ESO to consider if they need to do more to make it clear that a move to a non-firm product restricts operability in some markets, such as the Capacity Market	26/09/23	C/Forward
007	Non-firm – Curtailment information	WKW/DR	What information will the rest of market have on the quantum of curtailment behind T boundaries, both ahead of time and real time?	26/09/23	C/Forward
008	Non-firm – Curtailment times	WKW/DR	How long is the curtailment to be active– in market timeframes for the products being used by the ESO, such as settlement period(s) in BM?	26/09/23	C/Forward
010	Non-firm - Process	WKW/DR	As more non-firm is connected on the network, how is it decided which gets turned off first? What is the process? How transparent will this be? For example, if there are two non-firm connections at one node – will both be restricted to 50%? Or only one asset 100% restricted? (Is it all or nothing? Or can there be partial?) etc. This needs to be completely transparent.	26/09/23	C/Forward

			Additional information added post mtg by LH: Will you rotate sites, scale, or something else?		
012	Non-firm and TNUoS task force	CG	TNUoS taskforce have non-firm as out of scope however the ESO is trying to encourage it. Reach out to TNUoS taskforce to discuss why it may not be in their scope of work	26/09/23	C/Forward
013	Non-firm and Curtailment - interruptions	WKW/DR	On sign-up, a User may agree to be interrupted x times per year. Should more sites subsequently connect, can NGESO increase the triggers that interrupt me?	26/09/23	C/Forward
014	TEC amnesty	LH	Confirm the actual TEC amnesty figure against the published expected 8.1GW	26/09/23	C/Forward
019	Non-firm topics which need confirmation	WKW/DR	<p>(1) contractual certainty, to the User, around the very rare occasions when intact system conditions apply (including details of exactly what local constraint(s) will / will not be relevant to them) such that they will be clear about the probability of uncompensated curtailment (if they sign up to this new approach);</p> <p>(2) consistency of the application of this contractually by the ESO to all relevant Users; and</p> <p>(3) transparency to all market participants of the volume to be curtailed, uncompensated / out of merit, by local constraint(s), as well as (real time) when the volume has been so curtailed by the ESO</p>	26/09/23	Closed
020	Storage assumption 0MW	WKW/DR	Is the 0MW treatment for network planning or T&T Model?	26/09/23	C/Forward
021	Scottish and Southern experience in how stacking works	WKW/DR	Reach out to see how non-firm operates in regions where this is already in existence	26/09/23	Closed
022	Queue Management guidance document	JH	Set up session with QM workgroup members to review guidance document	24/10/23	New
023	Non-firm	AP	Meeting to be set up before next sub-group to discuss the concern raised that a policy change will need Ofgem decision; whether the data we provide could breach	Mid-October	Closed

			REMIT; guidance note to be reviewed — Session in diary for 10 th October		
024	Non-firm – trade and transfer of TEC	WKW/DR	Does the non-firm process impact the trade and transfer of TEC?	24/10/23	New
025	Connection applications	LH	To split out applications into new and mod apps	24/10/23	New
026	Connections organogram	LH	Provide most recent organogram	24/10/23	New
027	Terms of Reference	JH	Take to CUSC panel for review	24/10/23	New
028	Constraint notifications	WKW/AQ	Review feedback received on constraint notifications from sub-group as a consideration throughout the development of the BESS non-firm product	24/10/23	New
029	Constraint notifications	ESO	ESO to clarify what constraint data they publish in real time	24/10/23	New