

A photograph of a forest with tall, thin trees. A glowing yellow path winds through the trees, starting from the bottom left and curving towards the center. The path is composed of several parallel lines of light. The forest floor is covered in moss and small plants. The lighting is soft, suggesting a misty or early morning atmosphere.

# ESO Markets Forum

March 2024

Timings	Topics
0.00	Introduction and welcome on behalf of markets
6.39	Operational overview
11.42	Markets Roadmap
16.22	Key themes of industry feedback
16.53	- <i>Revenue stacking</i>
21.41	- <i>Operational metering</i>
23.23	- <i>Enhancing Energy Storage in the Balancing Mechanism</i>
26.48	- <i>EMR Portal</i>
29.02	Key updates on current projects
29.24	- <i>Reserve Reform</i>
37.10	- <i>REMA</i>
39.18	- <i>Flexibility Strategy</i>
46.43	- <i>Key dates</i>
47.40	Key Code and Reform updates

Slido code #MFMAR24

# Markets Leadership team

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For further information on the roles of the ESO Markets team, select here: [ESO Markets team](#)

# Operational overview



## Operational overview



**15 Jan 2024**  
45.1GW peak demand



**20 Dec 2023**  
17.4GW peak wind output  
**21 - 22 Jan 2024**  
~9GW of wind cut-out



**29 Nov 2023**  
**1 Dec 2023**  
DFS enhanced  
balancing action



10 named storms  
  
Highest number of  
severe storms since  
2015/16

# Markets Roadmap



# Markets Roadmap



- Balancing costs are increasing year on year
- Our Electricity Ten Year Statement forecasts increasing levels of thermal constraints over the coming years
- Stability and voltage will also need more careful management due to declining proportion of traditional plant

An aerial photograph of a river with white water rapids, overlaid with several glowing blue energy lines that curve across the scene. The text 'Revenue stacking' is centered in a white rounded rectangle.

# Revenue stacking

Stacking is receiving multiple revenues from different services with a single asset.  
We are looking at three types of stacking:



**Co-delivery:** Participating in multiple markets with the same capacity in the same time period

**Splitting:** Participating in multiple markets with different capacity in the same time period

**Jumping:** Participating in multiple markets in different time periods

### You said:

**Demand Flexibility Service** – stacking exclusions limit opportunities for providers and impact market size for Distribution Network Operator flexibility services.

**Response and Reserve services** – stacking allows providers to maximise the efficiency of their assets by combining services.

**We want to maximise revenue stacking to increase market participation across the whole system to improve competition for the benefit of consumers.**

**Procurement**

**Dispatchability**

**Performance  
monitoring**

**Settlement**

## Revenue stacking – our plans

### **Demand Flexibility**

Any future iteration of DFS will involve a review of the exclusivity clause, with the intent to remove it and replace it with new processes that enable ESO-DSO coordination

### **New Reserve services**

We are setting out initial and enduring stacking positions for these services as part of our engagement

### **Markets Roadmap**

We will reinclude a Revenue Stacking section to set out which services can stack

An aerial photograph of a river with white water rapids. Overlaid on the image are several glowing blue, curved lines that resemble energy or data paths. A semi-transparent white rounded rectangle is centered in the upper half of the image, containing the text 'Operational metering'.

# Operational metering



Up to a cumulative  
of **300MW**  
of capacity  
approved to enter  
the **Balancing  
Mechanism**

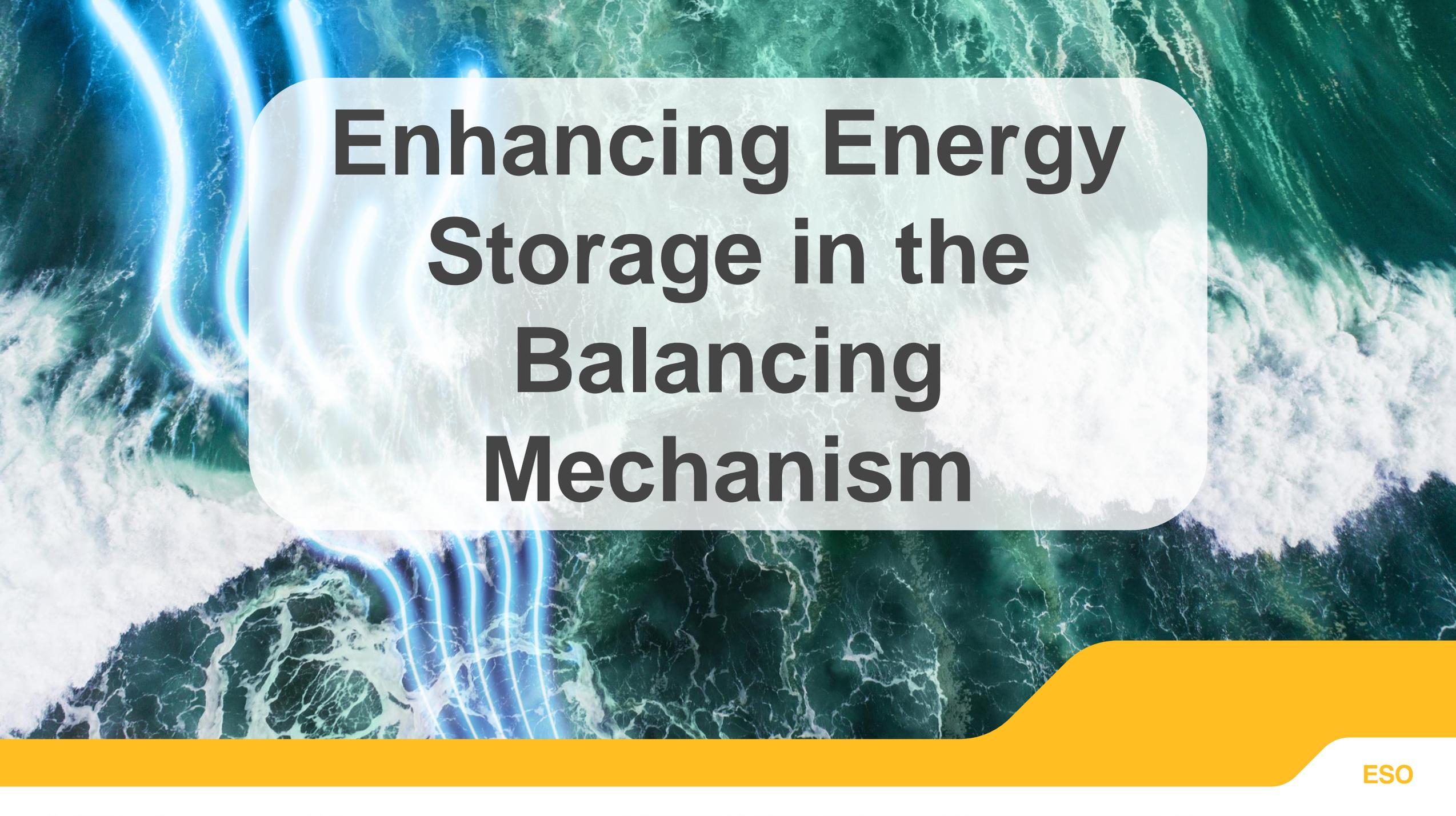


**Independent  
review of  
operational  
metering standards**



**Continued  
engagement with  
customers and  
stakeholders to  
jointly consider how  
we can best act on  
findings of the review**

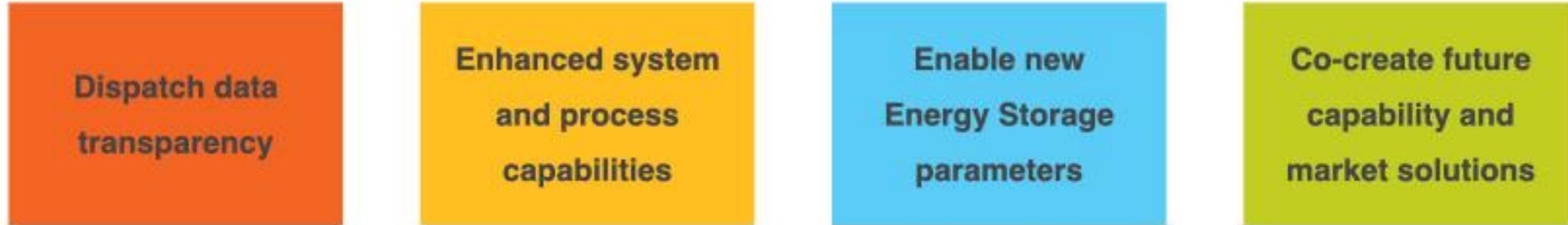
For more info, contact: [power.responsive@nationalgrideso.com](mailto:power.responsive@nationalgrideso.com)

An aerial photograph of a river with white water rapids, overlaid with several glowing blue energy lines that curve across the scene. The text is centered in a white rounded rectangle.

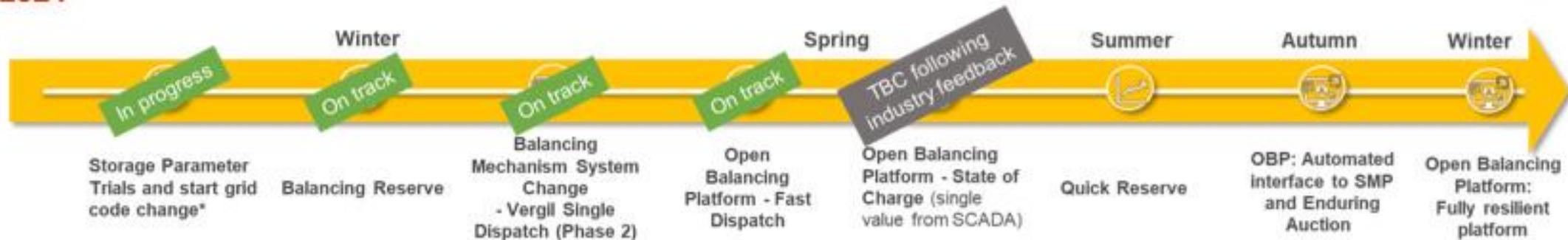
# **Enhancing Energy Storage in the Balancing Mechanism**

# Enhancing Energy Storage in the Balancing Mechanism

## Our Plan

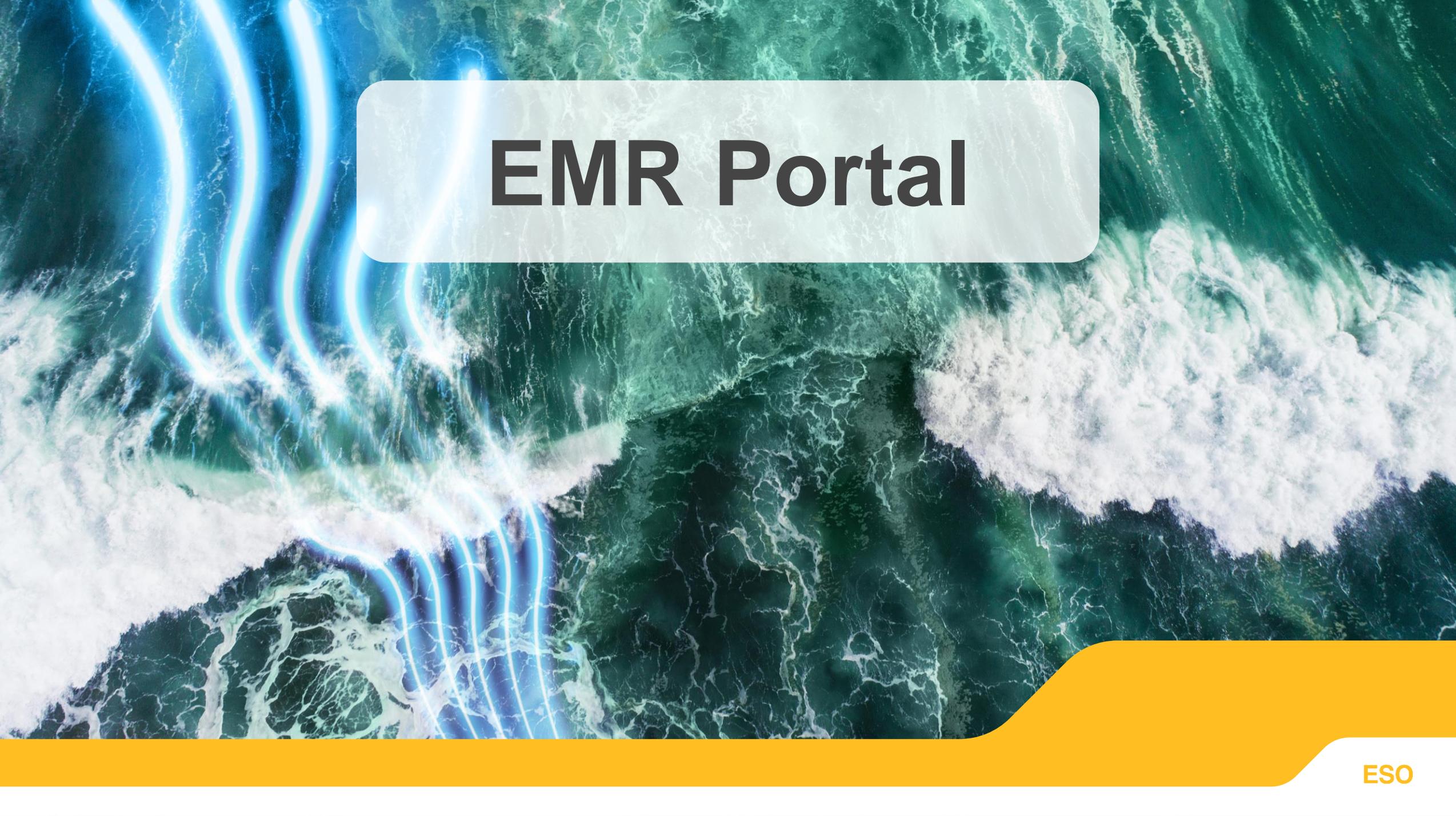


## 2024



Link to webinar here – [Webinar \(12 February\)](#)

Contact us: [box.balancingprogramme@nationalgrideso.com](mailto:box.balancingprogramme@nationalgrideso.com)

An aerial photograph of a river with white water rapids, overlaid with several glowing blue energy lines that curve across the scene. The text 'EMR Portal' is centered in a white rounded rectangle.

# EMR Portal

## New EMR Portal launched on 22 January for registration

- 229 companies registered since January
- Total of over 600 (including ones registered in 2022)
- Representing >95% capacity under live Capacity Market agreements

## Implemented changes to address customer feedback

### Main admin changes

- removed functionality of Deputy Admin to self-promote to Main Admin and introduced a new process for Main Admin changes

### Strengthened security on registration

- introduced a new process to send letters to Nominated Director as well as to the validation process and confirmation emails

### Single email sign on arrangement

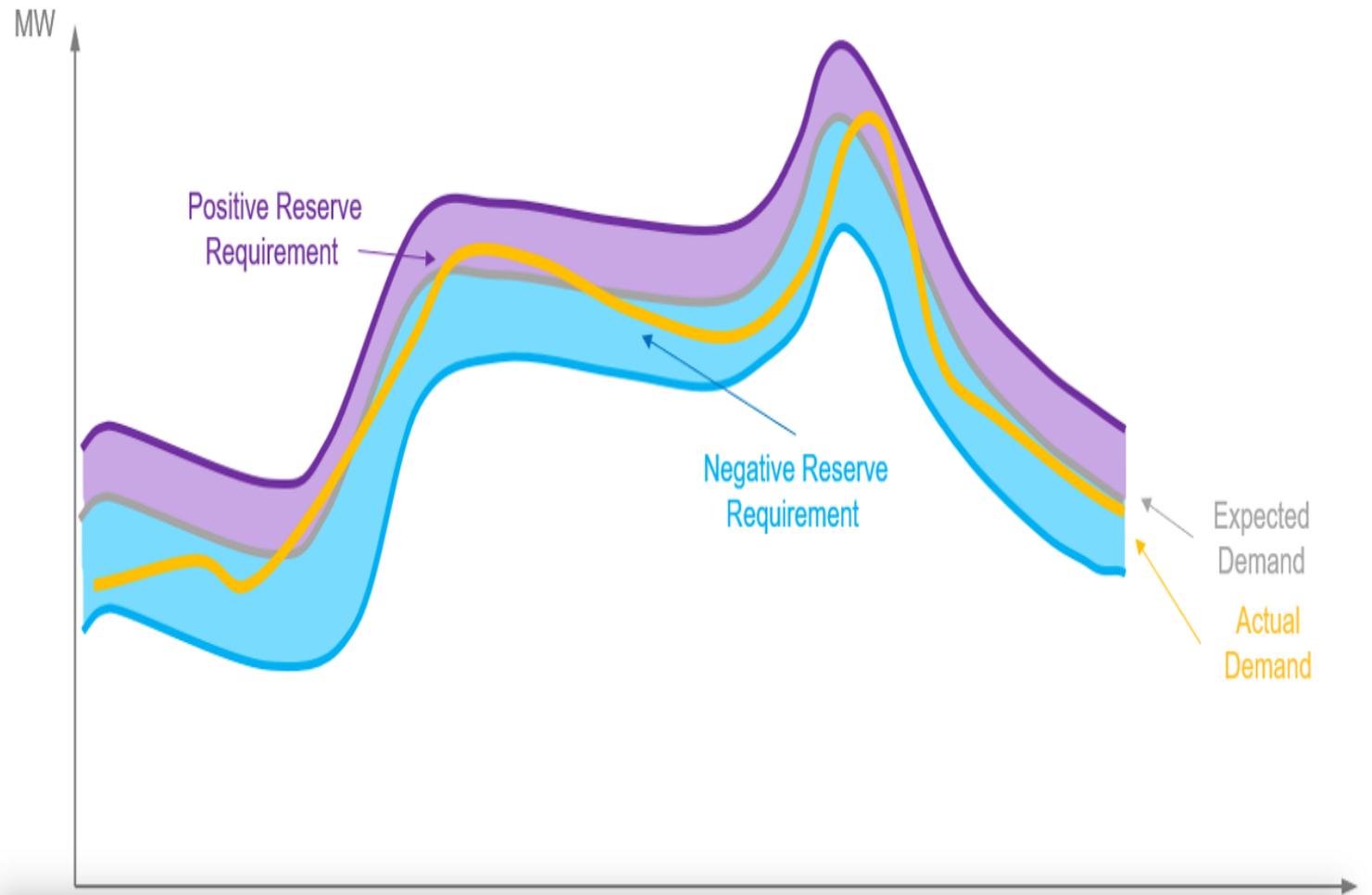
- in discussion with customers to explore interim solution

An aerial photograph of a river with white water rapids, overlaid with several glowing blue energy lines that curve across the scene. The text 'Reserve Reform' is centered in a white rounded rectangle.

# Reserve Reform

## What is Reserve?

- Access to **additional energy** – increased generation or demand reduction
- Split into ‘pre-fault’ and ‘post-fault’ products
- **Instructed** within gate closure

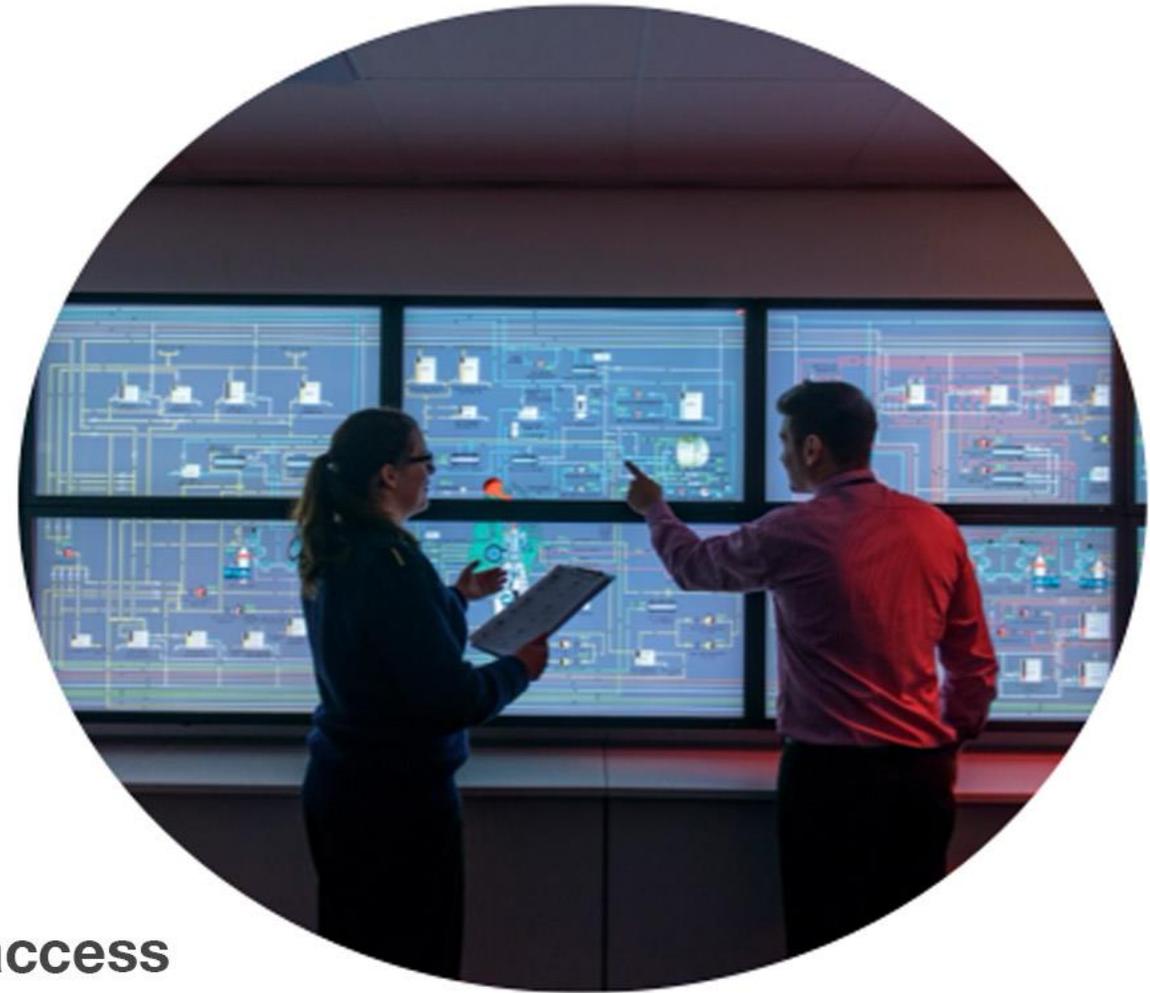


## Current Reserve Products

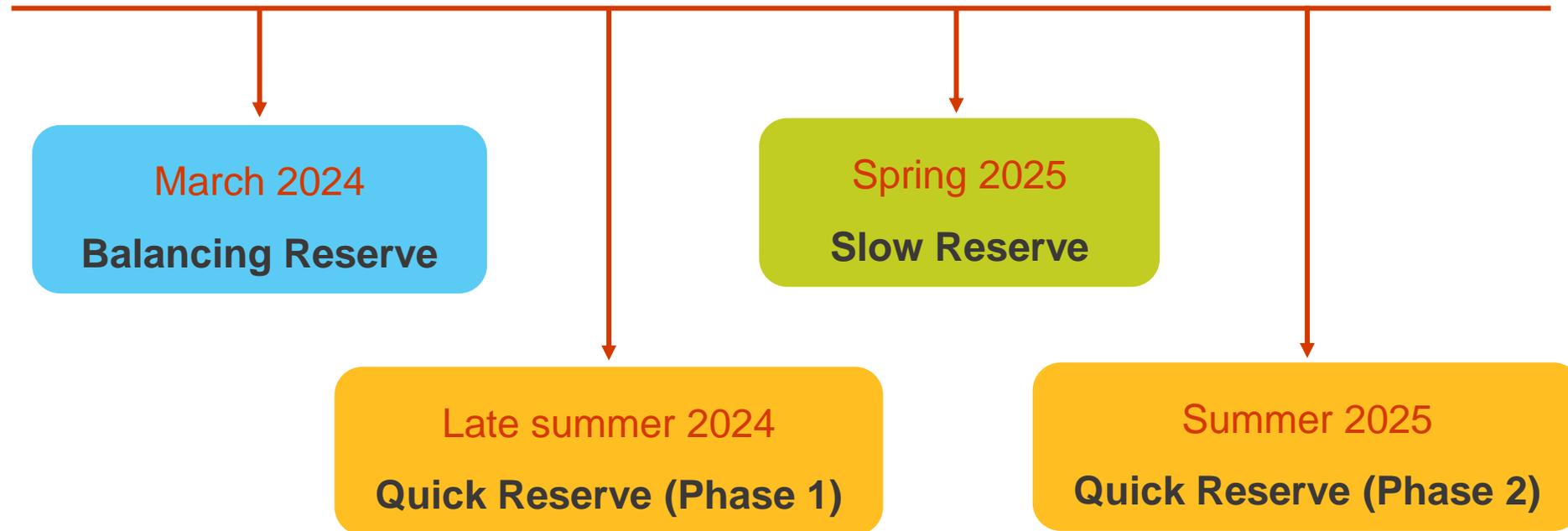
- Operating (Regulating) Reserve
- Fast Reserve
- Short Term Operating Reserve (STOR)

## Why are we changing?

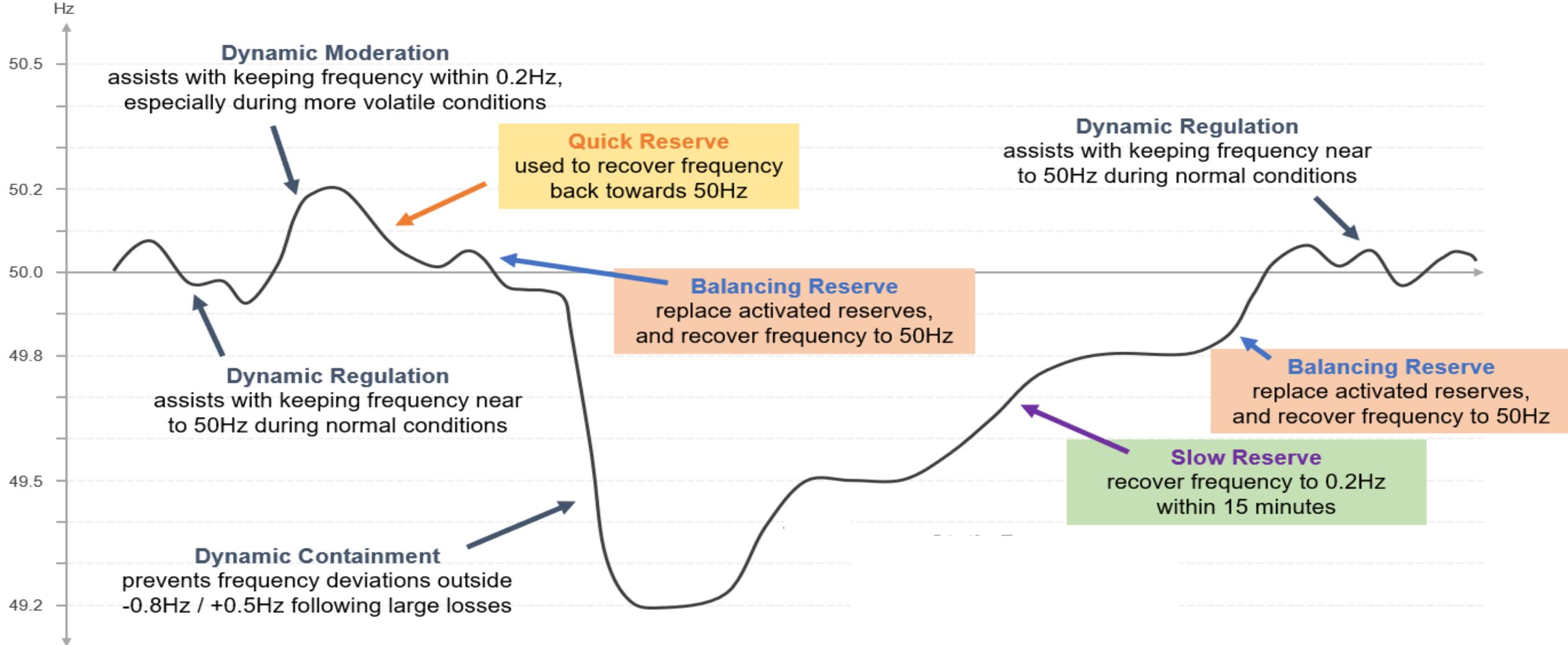
- To reach net zero
- Existing reserve isn't standardised
- Require products that are faster and access downward flexibility



# New Reserve Products



# Use of Balancing, Quick and Slow Reserve



## Next steps

### Balancing Reserve auction platform

- Opens - **27 February 2024** / first auction - **12 March 2024**

### Quick Reserve Phase 1

- A18 consultation - **April 2024** / go live - **September 2024**

### Quick Reserve Phase 2 and Slow Reserve

- Further industry engagement on service designs **through 2024**
- Both services go live - **mid 2025**

An aerial photograph of a river with white water rapids, overlaid with several glowing blue energy lines that curve across the scene. A semi-transparent white rounded rectangle is centered in the upper half of the image.

**REMA**

# Update on REMA and ESO assessment of scheduling & dispatch

## Context

We are concerned that the BM is not delivering clear signals for efficient operation and investment.

## Approach

In support of DESNZ' REMA programme, we are developing a 'Case for Change' exploring potential issues in the BM and the impact on market participants.

## Planned Engagement

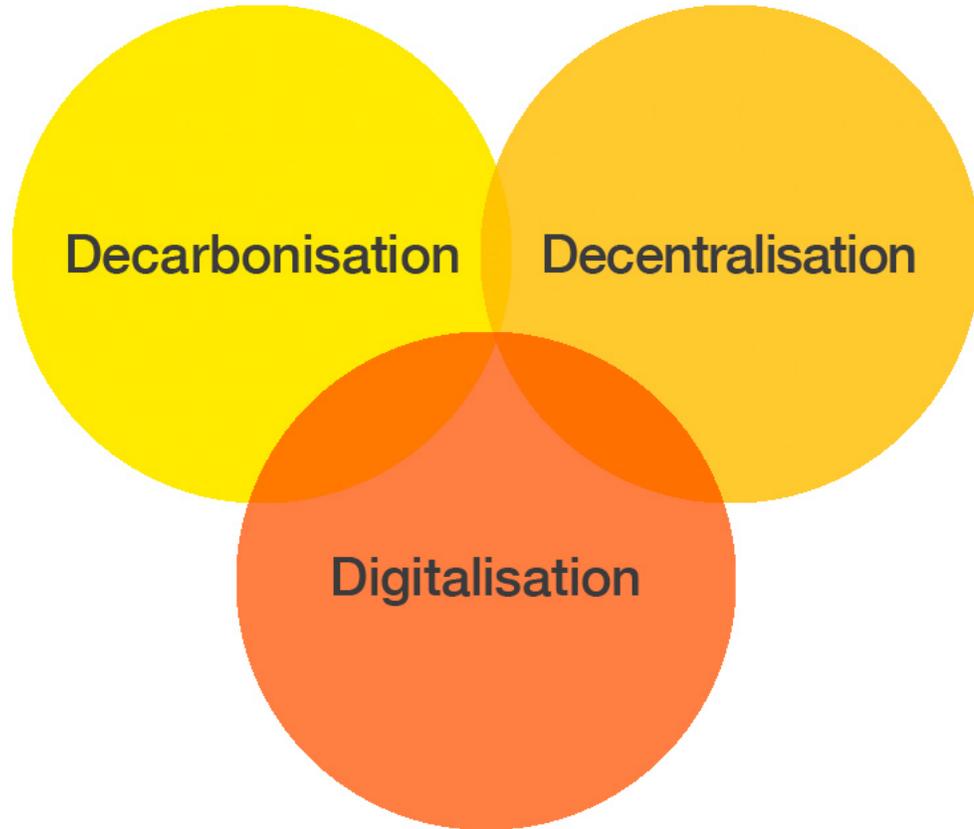
We have asked trade bodies to nominate members for in-person workshops to test our observations.

We will make all materials and the final report public on the Net Zero Market Reform website.

An aerial photograph of a river with white water rapids, overlaid with several glowing blue energy lines that curve across the scene. The text 'Flexibility Strategy' is centered in a white rounded rectangle.

# Flexibility Strategy

## Flexibility is not optional



Both supply and demand are becoming much more variable and volatile

Market access needs to be maximised to deliver value for our end consumers

Flexibility, especially distributed flexibility, is critical to the operation of a clean, reliable and affordable electricity system

Great Britain is the international leader in flexibility, enabling all low carbon flexibility to move seamlessly between markets, driven by effective signals, delivering whole electricity system value to consumers.

...will be achieved via

Competition

Co-ordination

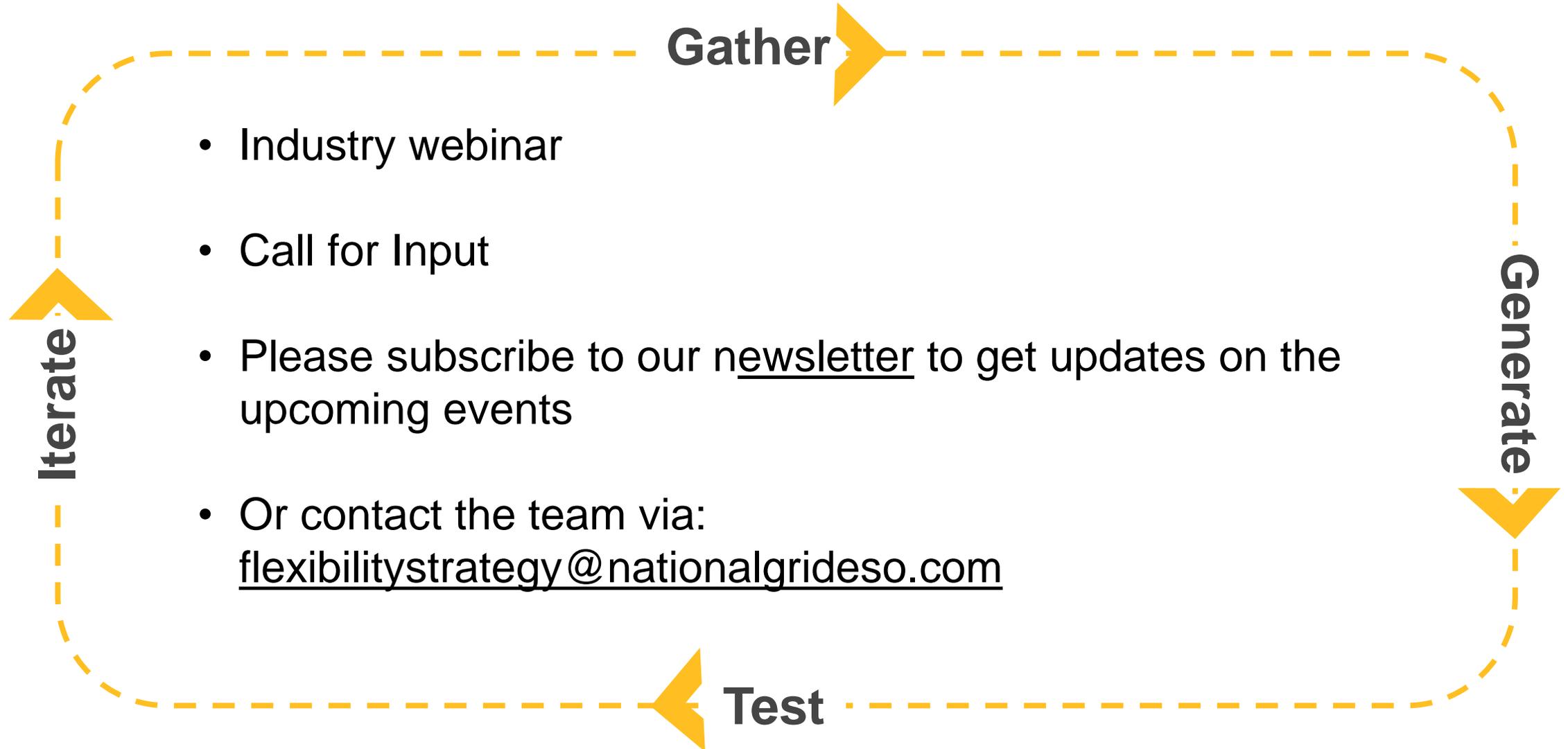
Coherence

# Principles to deliver our vision for Flexibility Markets

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## Next steps



# Key dates

- **21 March** - Charging Future Forum
- **22 April** – Restoration: Southwest and Midlands ESR Tender - *Submission date for ITT Part 1*
- **May** - Restoration: Northern Tender ESR Tender - *Contract Award*
- **May** – Markets Forum in Glasgow

In case you missed it, you can find the latest webinars on the new roles of the National Energy System Operator (NESO) [here](#). The webinars cover:

- Resilience and Security
- Strategic Planning
- Market Development



# Key Code and Reform updates



# GC0166 - New Parameters for Storage (Balancing Programme)

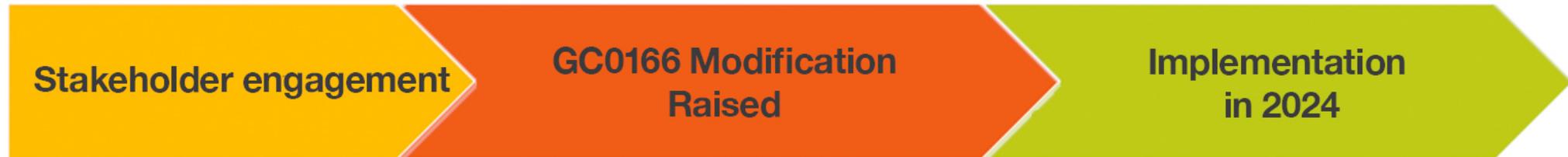
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## Purpose

ESO initiated the **Balancing Programme** to update the tools and capabilities within the control room in readiness for net-zero operation. There have been a number of suggestions for new parameters that can be used to optimise the dispatch of **Short Duration Storage** units.

## Progress/next steps

This is being treated as a **HIGH** priority modification.



Details of the **GC0166 Modification** can be found:

[GC0166: Introducing new Balancing Programme Parameters for Limited Duration Assets | ESO](https://www.nationalgrideso.com/gc0166-introducing-new-balancing-programme-parameters-for-limited-duration-assets)  
([nationalgrideso.com](https://www.nationalgrideso.com))

# GC0156 – Electricity System Restoration Standard (ESRS)

**Purpose** – in response to a change in the ESO's transmission license:

- Restore 60% demand in 24 hours
- Restore 100% demand in 5 days
- GC0156 (Grid Code)
- CM089, CM091 (STC)
- PM0128, PM0132 (STCP)
- GSR032 (SQSS)

## Progress/next steps



Details of the GC0156 Modification can be found:

[GC0156: Facilitating the Implementation of the Electricity System Restoration Standard | ESO \(nationalgrideso.com\)](https://nationalgrideso.com)

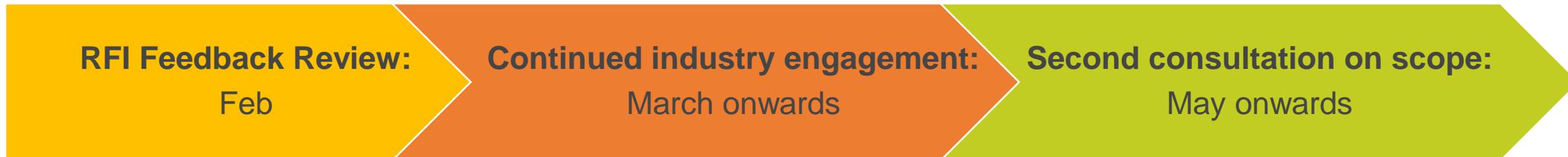
# Interconnector Framework

## Purpose

Current bespoke interconnector trilateral operational arrangements create **complexity**. The lack of frameworks may cause **inefficiency** in managing interconnectors across ESO operations.

We have a **BP2 commitment** to create a framework for interconnectors and **consult with industry**.

## Next steps



To become involved in this work stream and receive communications on upcoming engagements, please [register](#) for the Joint European Stakeholder Group (JESG) newsletter or contact us at: [box.europeancodes.electricity@nationalgrideso.com](mailto:box.europeancodes.electricity@nationalgrideso.com).

## Activity to Date

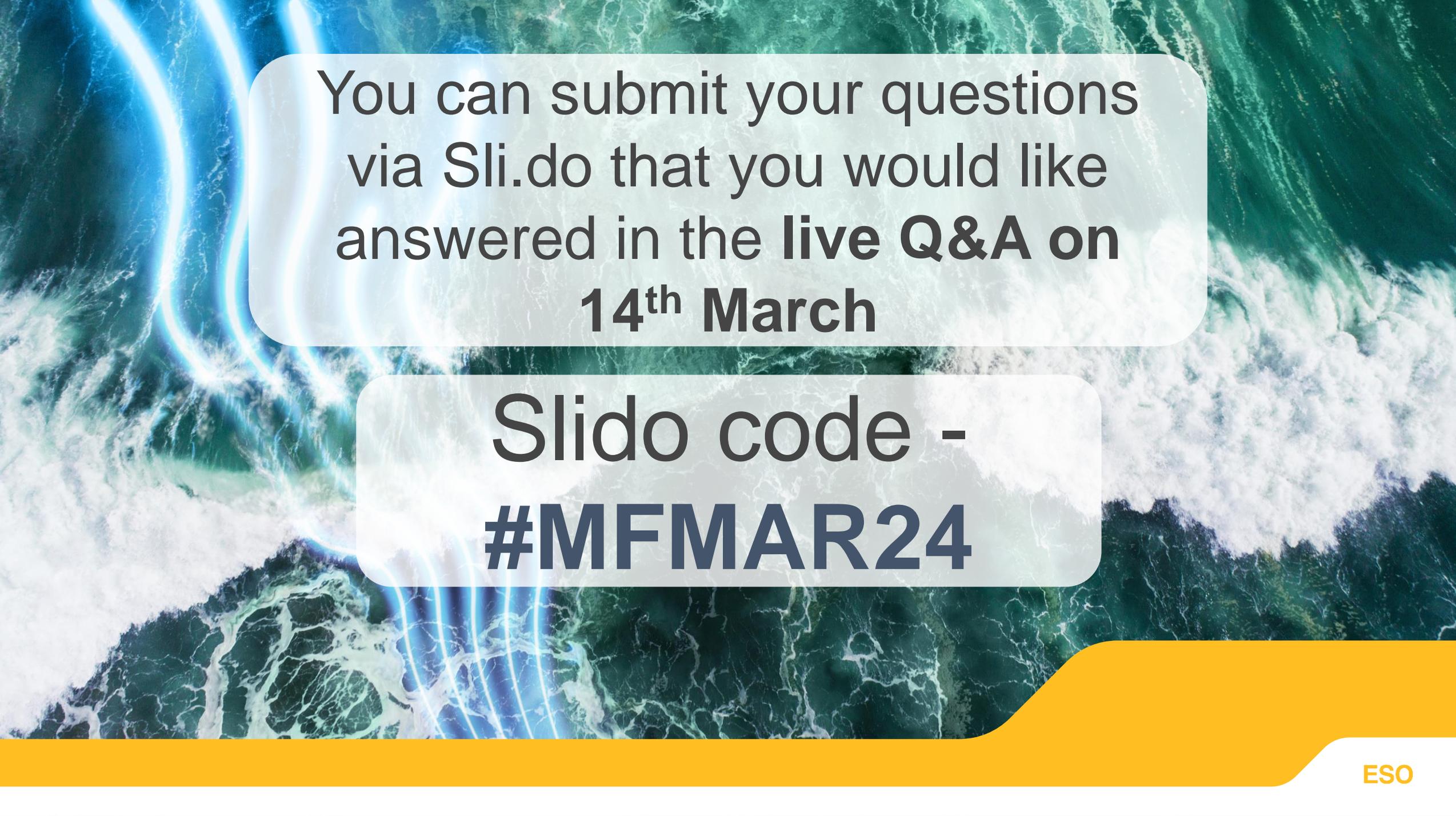
Responded to Ofgem's Call for Input – Feb 23

Attendance at workshops – Summer 23

## Next Steps

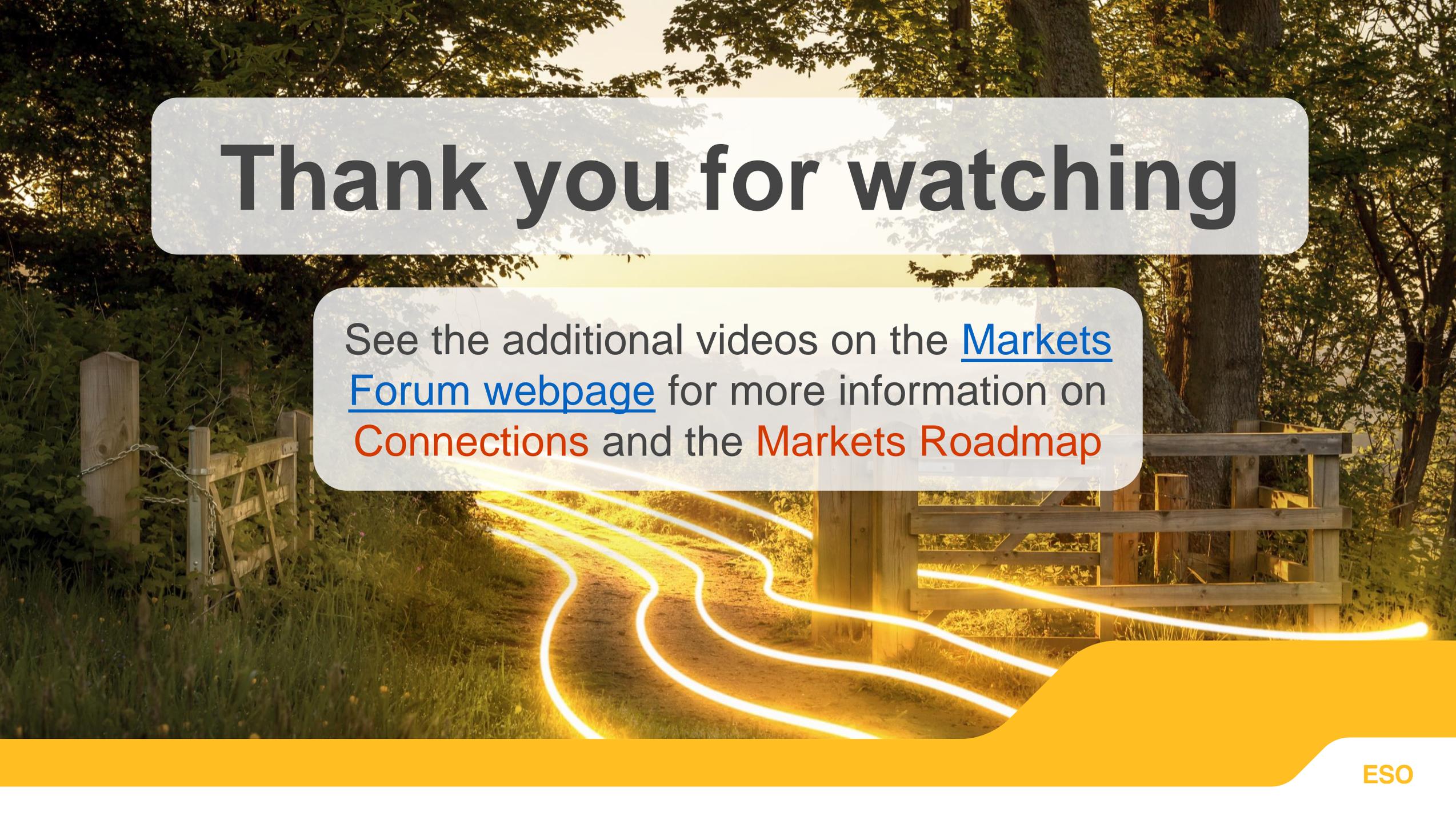
Responding to Implementation consultation – Apr 24

DESNZ and Ofgem consultation due Q2 24

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You can submit your questions  
via Sli.do that you would like  
answered in the **live Q&A on**  
**14<sup>th</sup> March**

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# Thank you for watching

See the additional videos on the [Markets Forum webpage](#) for more information on **Connections** and the **Markets Roadmap**