FRCR Consultation Response Proforma

FRCR Consultation

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to box.sqss@nationalgrideso.com by **5pm** on **Friday 17th May 2024.** Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact box.sqss@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Giulio Beseghi
Company name:	Tesla
Email address:	gbeseghi@tesla.com
Phone number:	Click or tap here to enter text.

Please express your views in the right-hand side of the table below, including your rationale.

FRCR Assessment and Methodology Consultation questions		
1	Overall, do you agree that the FRCR 2024 represents appropriate development in determining the way that the ESO will balance cost and risk in maintaining security of supply while operating the system?	Yes.
2	Do you agree that the FRCR 2024 has been prepared appropriately? Please elaborate.	Yes, except FRCR 2024 does not explain the reasons for the delays in implementing FRCR 2023. NGESO should be more transparent and justify the delay.
Feedback on the specific recommendation in FRCR 2024		
3	Recommendation: ***Maintain minimum inertia requirement at 120 GVA.s***	NGESO's proposal of keeping the minimum inertia limit to 120 GVA.s for this whole year doesn't seem ambitious enough and poses risks to reaching the original 2025 Net Zero goal of 102 GVA.s. **We propose NGESO to gradually decrease the minimum inertia levels from 120 GVA.s down to 102 GVA.s during FY 2024.**

		Reasons: • **Overall savings**: the FRCR clearly shows that lowering inertia brings significant savings to the ESO without increasing system residual risks (page 18). These savings will reduce overall balancing costs benefitting consumers. • **Energy transition**: NGESO's delay of implementing FRCR 2023 represents a risk towards reaching the original 2025 Net Zero commitments. Now is the time to get back on track. • **Fairer market**: NGESO can operate the grid with more renewable / storage technologies, and doesn't have to reposition expensive thermal assets in the BM
4	Recommendation: ***Consider additional DC-Low requirement***	Yes
5	Do you agree ESO to propose lower minimum inertia requirement before FRCR 2025	Yes
6	Do you have any other comments?	We believe that assuming a constant value of minimum inertia (in line with the FRCRs) is not cost effective. The ESO demonstrates in the report that the "safe level of inertia" is determined by the amount of DC(L) that has cleared in the market, and this varies every day. We encourage the ESO to adopt a more dynamic strategy and define the safe level of inertia according on the DCL auction clearing: • In the auction, at the day ahead stage, the ESO reflects the cost of keeping inertia at different levels in its DCL price curve

		• According to how much DCL clears, the ESO defines a "safe level of inertia" required to keep the system under control These changes will enable a faster transition to a greener grid and reduce consumer costs.