WHEN TRUST MATTERS



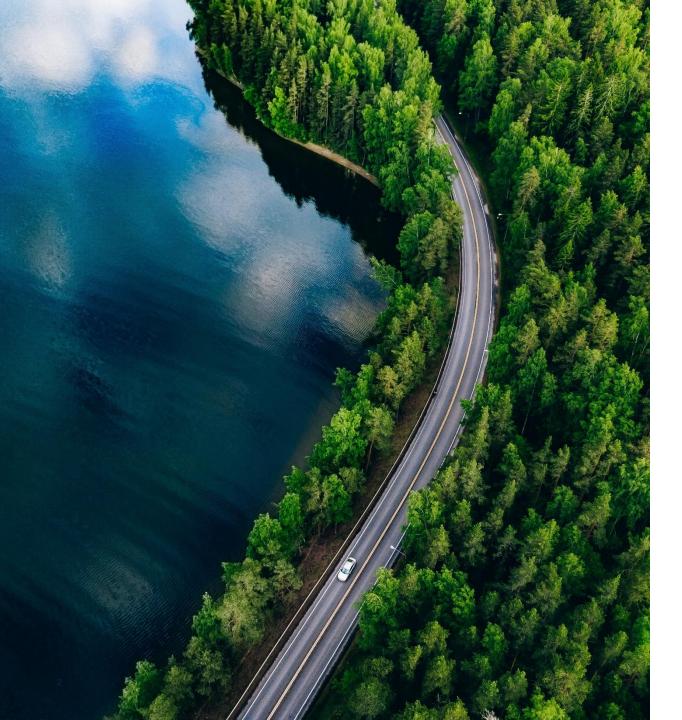
Operational Metering Standards

Power Responsive Working Group

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20th May 2024



Agenda

1 Introduction to DNV

2 Introduction & Scope of Work Key Contacts, Introduction and Project goals

- **How we'll do it** Approach, work plan, impact assessments
- 4 Stakeholder Engagement Engagement plan, technologies in scope

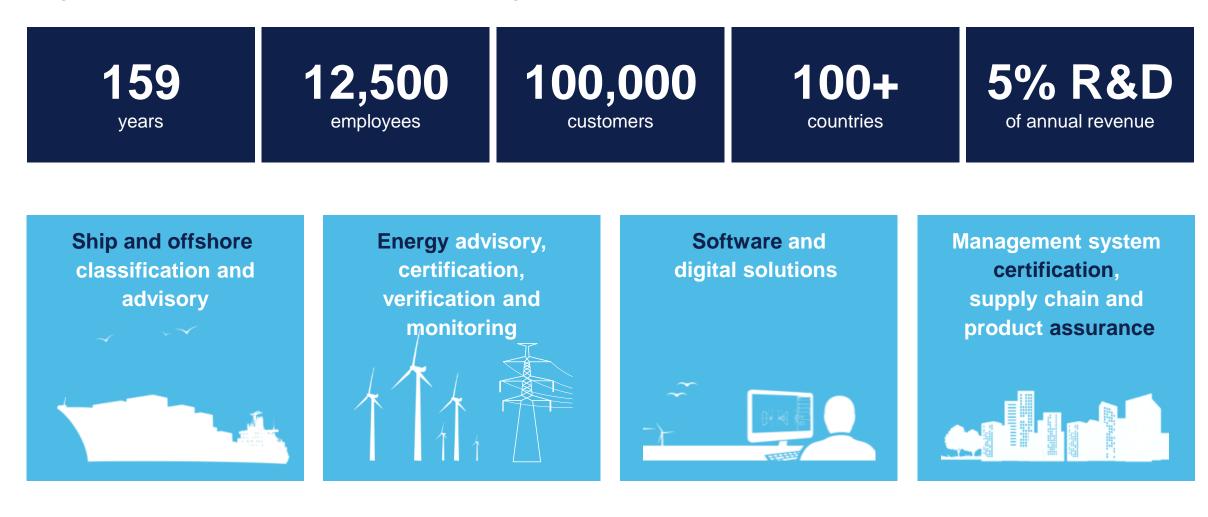
5 Engagement Dates Key dates

5 Q&A

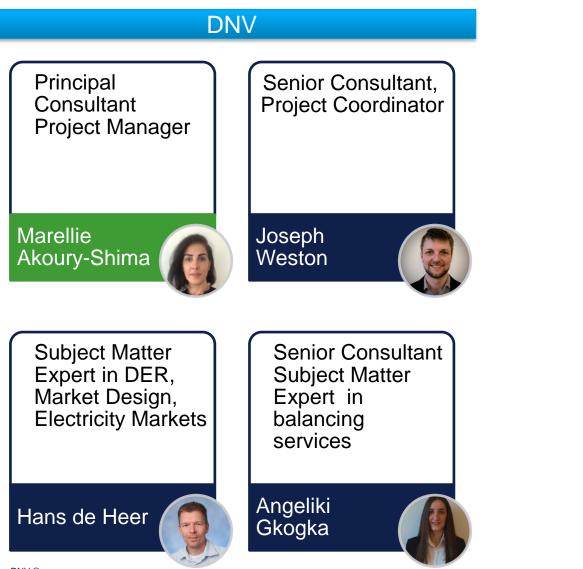
Questions that have arisen during the meeting

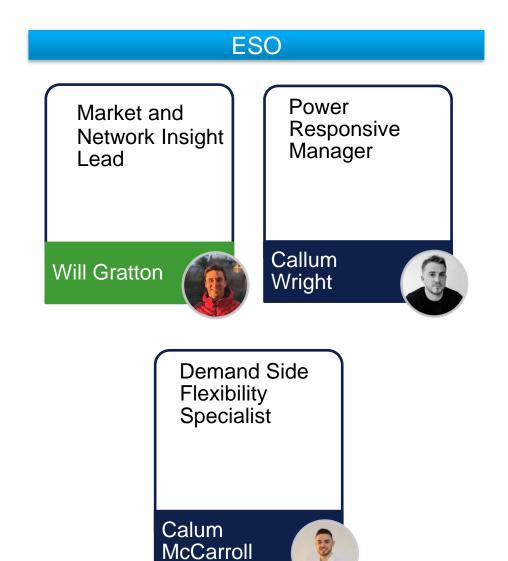
1. Introduction to DNV

A global assurance and risk management company



2. Key Contacts





McCarroll

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2. Introduction



Situation

- Distributed Energy Resources (DERs) connecting to the distribution network is increasing due to Net Zero transition.
- DERs could provide cost-saving flexibility services to ESO and DSO and are crucial for system operations.



Complication

- Current operational metering requirements for participation in balancing services markets (i.e. frequency, latency, accuracy) are designed for large power stations, hindering the ability of smaller providers to meet these requirements.
- Meantime, ESO has set up the Power Responsive, a stakeholder-led programme, facilitated by the ESO, to raise awareness on DER and DSR, ensuring equal opportunity with the current BM participants when it comes to balancing the system

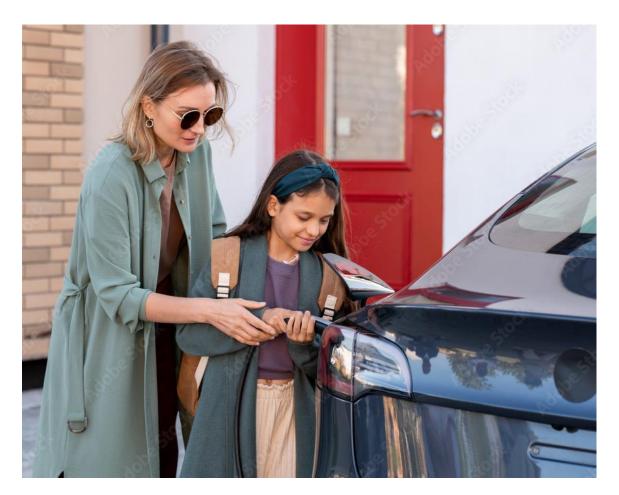


Next steps

- NGESO has chosen DNV to independently review and assess, using a transparent methodology:
- 1. The feasibility of the current operational metering standards for the Balancing Mechanism
- 2. Options to **optimise the standards** which:
- accommodate diverse asset providers
- enable NG ESO to meet SQSS requirements with the current and forecasted energy mix

2. Project Goals

- 1. Assess the feasibility of the current metering standard using a clear and transparent methodology
- 2. Recommend optimised operational metering standards for the Balancing Mechanism which:
 - consider how providers with a diverse range of assets could meet the standards
 - consider learnings from regulations and processes used in Europe
 - allow NG ESO to continue meeting the SQSS with the current and forecasted energy mix
- 3. Assess the practicalities of adopting the newly proposed standards
- 4. Engage with ESO and external stakeholders to support the findings



3. How we will do it

WP1	WP2	WP3	WP4	WP5
Assess current metering requirements, asset capabilities, barriers	European TSO benchmarking, metering future requirements and capabilities	Change and Impact Assessment (IA)	Monitoring & Implementation	Recommendations and final reporting
Stakeholder Engagement:	Stakeholder Engagement:	Stakeholder Engagement:	Stakeholder Engagement:	Stakeholder Engagement:
BM Asset Mapping and Grouping Assess OM impact on SQSS OM requirements feasibility	Asset and Meter manufacturer interviews for roadmap understanding	In depth impact assessment on the SQSS compromising 4 different assessments	Assess practicalities of adopting recommendations across different asset types and providers e.g. processes, data requirements, communication systems.	Present findings, lessons learned, and next steps
May - July	June - July	July - September	October - November	November - December

3. Impact Assessment

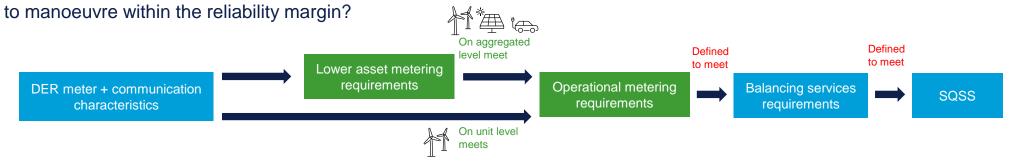
Current situation: most DER are not eligible to participate in balancing services



Impact Assessment Level 1: For aggregated units, can metering requirements be relaxed when there is no impact on aggregated level ?



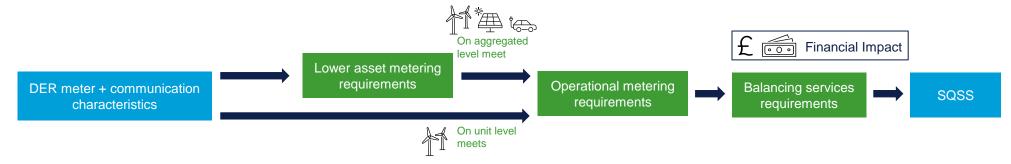
Impact Assessment Level 2: To what extent can operational metering requirements be lowered without affecting SQSS? Is there room



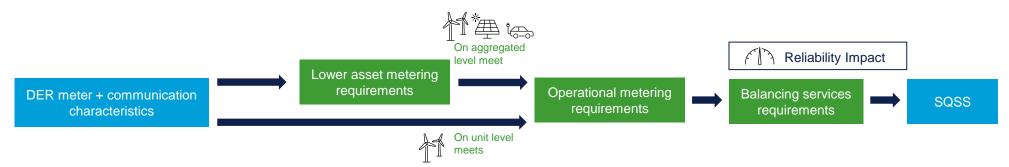
3. Impact Assessment

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Impact Assessment Level 3a: To what extend can we allow financial impact on SQSS? (no impact on reliability, but financial impact)



(Optional) Impact Assessment Level 3b: To what extend can we allow impact on reliability?



Impact Assessment 4: No action, current and future impacts of most DER not participating in balancing services





4. Stakeholder Engagement

Aiming to understand:

- Barriers / issues related to implementation of current OM standards
- Current and future asset types and distribution
- Meter technology and standards roadmap
- Practicalities of adopting potential optimised standards



4. Stakeholders we plan to engage with to ensure a transparent and optmised outcome

ESO Stakeholders

Market Requirements

Future Design and Development
Frequency Risk & Modelling
Balancing Services Optimisation

Product Owners

- $\,\circ\,$ Balancing and SCADA systems,
- Balancing Programme

System Security & Insight

- Operational Metering Team
- \circ BM registration

Network Operability

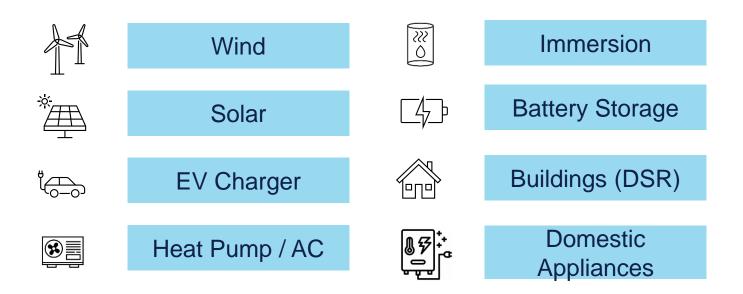
Zero Carbon Operability (DER, EV, Storage)

Market Change Delivery

ENCC - Control Room

Industry Stakeholders		
Balancing Service Providers Aggregated (VLPs) Non-Aggregated (e.g. BMUs and Embedded BMUs) 		
Flexibility Service Providers (non-BM) Aggregated Non-Aggregated 		
Suppliers acting as BSPs		
Meter Manufacturers		
Asset Manufacturers		
Trade Associations		
EU TSOs		

4. Technologies In Scope for Impact Assessment*



*<u>All asset types and sizes will be considered during review of current OM standards</u>



5. Engagement Dates

Туре	When
Working groups	Every time WP completed
	Ad-hoc e.g. WP1 interview feedback
1:1 and/or group interviews	May/June
	(DNV will get in touch with selected representative of each stakeholder group)

6. Questions?



To email questions contact: power.responsive@nationalgrideso.com

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