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NIA Project Annual Progress Report Document

Date of Submission

Jul 2023

Project Reference Number

NIA2_NGESO030

Project Progress

Project Title

Enduring Cross-Border Balancing

Project Reference Number

NIA2_NGESO030

Project Start Date

September 2022

Project Duration

1 year and 1 month

Nominated Project Contact(s)

Christian Parsons

Scope

The scope of the project is to carry out CBA modelling on GB to EU ICs for a number of potential markets. The analysis will highlight the operational and financial benefits to both GB and the connected EU regions. This will help the ESO to determine which market is most suitable to develop. This project will include:

1. Potential Market optioneering and feasibility studies to determine the 3-4 market scenarios.
2. Economic analysis of the potential markets to assess benefit to each region.
3. Ranking and recommendations for the possible markets.

Objectives

To deliver a final report outlining the financial and operational benefits, describing, and ranking, the different solutions for a cross-border balancing market between GB and the EU.

Success Criteria

This project will provide an ESO-recommended approach that will support our external conversations with GB industry and EU TSO's to get to a best-case outcome for all parties. In addition, the ESO has a high-level long-term plan to get to product go-live of ~2029 depending on the options selection. BEIS have advised that if the results are positive, they will look to accelerate the timeline by prioritising this work over existing aspects of the ESO balancing programme.

Performance Compared to the Original Project Aims, Objectives and Success Criteria

National Grid Electricity System Operator ("NGESO") has endeavoured to prepare the published report ("Report") in respect of Enduring Cross-Border Balancing, NIA2_NGESO030 ("Project") in a manner which is, as far as possible, objective, using information collected and compiled by NG and its Project partners ("Publishers"). Any intellectual property rights developed in the course of the Project and used in the Report shall be owned by the Publishers (as agreed between NG and the Project partners).

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Project Overview

The project is to explore the possibilities and implications associated to the introduction of a new balancing market in the UK, able to interact with EU balancing markets.

Project Plan

The project plan was broken down into four parts:

1. **Identification and pre-screening of options.**

NGESO worked with Compass Lexecon to narrow down the potential markets from 8 to 3. These markets are Pre TERRE & MARI, Parallel to TERE & MARI & Including IC's in the BM. We also agreed a scoring criteria for the market options. An initial report was produced to detail these options and scoring criteria.

2. **Balancing Markets Modelling & Cost Benefit Analysis (CBA).**

A CBA model was created using PLEXOS. This model has been assessed and reviewed by the NGESO. A teaching training session was run held with the ESO on how to use the model. At project completion the model will be passed to the ESO

3. **Assessment and Recommendations.**

This step consists of the creation of a final report which details each Market options compared to the base case of "Do nothing". These overall figures will then be broken down to show benefit by region.

4. **Industry Webinar.**

The Industry Webinar has been delayed until Sept/Oct 2023 at the ESO's request.

The project has performed inline with the original aims and objectives to date.

Required Modifications to the Planned Approach During the Course of the Project

There has been one modification to the project plan. The Webinar was originally planned for April 2023, however the ESO requested this be moved to Autumn 2023. This delay has been agreed with both Ofgem and DESNZ.

Lessons Learnt for Future Projects

Lessons learned in the course of the project will be captured and shared upon project completion in September 2023.

Note: The following sections are only required for those projects which have been completed since 1st April 2013, or since the previous Project Progress information was reported.

The Outcomes of the Project

To date the initial report detailing chosen options and scoring criteria has been produced.

The final outcomes are in development and will be presented in September/October 2023 following the publication of the results.

Data Access

Details on how network or consumption data arising in the course of NIA funded projects can be requested by interested parties, and the terms on which such data will be made available by National Grid can be found in our publicly available "Data sharing policy related to NIC/NIA projects" and www.nationalgrideso.com/innovation.

National Grid Electricity System Operator already publishes much of the data arising from our NIC/NIA/SIF projects on the Smarter Networks Portal (www.smartnetworks.org) and National Grid ESO Data Portal (data.nationalgrideso.com). You may wish to check these websites before making an application under this policy, in case the data which you are seeking has already been published.

Foreground IPR

A final report will be delivered describing the different solutions for a cross-border balancing market between GB and the EU:

1. Potential Market optioneering and feasibility studies to determine the 3-4 market scenarios.
2. Economic analysis of the potential markets to assess benefit to each region.

3. Ranking and recommendations for the possible markets.

The final report will be published on the Smarter Networks Portal once agreed with Ofgem and DEZNZ