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## COVID-19 impacts - update

Dear Cathryn,

COVID-19 is a national emergency requiring both an immediate and considered longer term response. We have already made some key decisions to improve the resilience of our critical teams which we described to you in our letter of 16 March. In addition, we have moved some of our employees from IT project work back to operational duties in support of the ENCC.

As a result of these operational decisions we expect to delay some of our IT projects. Two, which are most likely to be delayed, include project TERRE (Trans European Replacement Reserves Exchange) and the next major release of EBS (Electricity Balancing System). We expect to continually review our approach to IT projects in this context particularly as there are key staff required for systems changes who are currently self-isolating as they fall within the vulnerable categories. We need to ensure the safety of our employees and not put them at any increased risk, as well as our operationally critical needs as we assess the priorities of our IT delivery. Details of our latest assessment of IT projects can be seen in an appendix to this letter and we will keep you informed as this work progresses, particularly in respect of the TERRE and EBS delivery timescales.

In considering the longer term needs of our business we are also assessing:

- the impact of increased absences due to COVID-19 across the breadth of the business
- the impacts of all employees in a non-critical or non-operationally critical role working from home combined with the closure of schools – this includes access to resources and reliance on technology and digital solutions to enable effective collaboration (for example our connections activities).
- the ability of our customers and stakeholders to engage effectively on initiatives and programmes where their inputs are key to our effective delivery – further, where our customers and stakeholders own priorities may change
- summer operability at lower demand levels and the resilience over next winter including how we balance our resources across different system modelling needs.

We will be reviewing all of our plans and deliverables in the context of the above assessments. The scope of work, timing and our approach to delivery may need to change to ensure that throughout we are focusing on critical and priority work in the first instance. Our reviews will consider all of our ESO Forward Plan activities as well as a continued assessment of licence obligation delivery risks to ensure that we can engage appropriately with you as the situation evolves (see appendix).

We will continue to keep you informed and look forward to working collaboratively with Ofgem to effectively respond to COVID-19. Finally please note, we expect to respond specifically to your request for a detailed assessment from the Code Administrator later this week.

Yours sincerely

Fintan Slye  
Director Electricity System Operator

## Appendix

### IT impacted projects

We expect to see impacts on some Forward Plan deliverables particularly regarding how we delivery our IT projects. The feasibility of deploying changes to the (Critical National Infrastructure) CNI IT systems used by the ESO is continually being reviewed as part of the ESO resilience response to COVID-19. This review has taken into account where we have removed Expert Control Users from the projects as part of insuring we have a fully staffed control function. It also makes consideration of the critical support functions availability within the IT CNI teams required to make systems changes. There are key staff required for production systems changes who are currently self-isolating as they fall within the vulnerable categories and we are reviewing the requisite measures to ensure these employees are not put at further risk to make the production system changes for these projects.

Based on the current landscape the current CNI system projects will continue as planned in the short term, as the level of project maturity and risk to the business is such that they can be delivered and are not as yet impacted by our resilience plans or staff unavailability.

The projects below marked with a \* will be done remotely as it is technically viable, low risk to our core operations, and do not rely on on-site support for system changes.

The remaining projects will require onsite support where the risk of extended interruption to our core operations is too great and require access to the physical equipment as part of sequencing. Reliance wholly on internet connections to carry out these critical tasks is not viable. The key members of the ESO and IT teams required for these changes may also not be permitted to attend site becoming subject to self-isolation criteria or shielding requirements. The specialised resource in key areas isn't widely available and statistically we can expect to lose access to these key personnel in the near term.

We will continue with the following projects provided we can ensure our high risk resource remain safe throughout deployment:

- \*Interconnector fixes IFLO developments for Britnred to fix clock change capability – 27th March 2020\*
- \*Ancillary services Despatch Platform, P354 changes to the PAS platform – 30th March 2020\*
- iEMS (SCADA) system new release and security updates. Forecast go-live 31st March 2020
- Power Available, and database sizing increase requirements for TERRE and Wider Access scaling. Forecast go-live of 22nd April 2020

The following projects are at considerable risk, building on the aforementioned requirements for onsite support, the reduced availability of the expert control users for User Acceptance Testing, Go-live transition, and combined with unavailability of our training unit, no resource flexibility to train and authorise the Control room teams as a result of segregation:

- TERRE – industry go-live is planned for 30th June. This is a major change across our systems, in particular the next major build after Power Available on the BM system. The code build sequence will need Power Available to be a success for this to be technically viable. Other TSOs across Europe have already taken the decision to defer industry go-live of TERRE whilst they focus on their core operational processes during this unprecedented situation.
- EBS system – Build 1.10. -July 2020. Major release for deployment of defect corrections and enhancements to the scheduler.

There are other non-critical projects, in various stages of maturity, that can continue through remote working and we are continually reviewing these with teams and our supply chain.

## Examples of possible challenges in meeting ESO Licence obligations

### Connections

Under the terms of the NGESO licence, NGESO is required to make an offer of a bilateral connection agreement to applicants within 3 months of receiving the required application information. The creation of a connection offer involves teams from the ESO and the relevant Transmission Owner to run appropriate processes to assess the application, coordinate across their business and finalise a design to enable a contract for connection to be offered.

In the ESO and the Transmission companies working arrangements that have been put in place to manage COVID-19 situation mean that delays to normal processes and communication across business interfaces could result in unavoidable delays to the completion of the connection offer activity. Whilst to date we have not identified delays to any particular project, the following activities are at risk of delay.

- Availability of key resources at coincident times to facilitate meetings is difficult due to school closures and different family commitments that would not normally be an issue.
- Network design teams having consistent, stable access to study tools whilst using remote working arrangements.
- Transfer and storage of large volumes of offer documentation is taking longer than usual
- Use of Webex, teleconference and other communication tools make collaboration across teams more difficult and results in longer timescales to complete work.
- All meetings now require telephone or web based communication, which can result in delays to understanding key aspects design or commercial offer requirements.
- Governance and signing arrangements for legal documentation requires revised arrangements to be put in place.

### Regulatory Reporting Pack (RRP) preparation and submission

RRP is a broad ranging and resource intensive submission. The areas of potential impact are summarised as follows:

- The ability to prepare the submission when key members of staff may be unavailable for prolonged periods of time, either through absence or diverted to other priority areas to maintain core services. These could be members of staff in the business responsible for specific data items or members of a central RRP/RIGs/Regulation team who consolidate and prepare the actual submission..
- The ability to assure and sign off the submission will likely be affected. This may be as a result of senior management and executive focus either not being available or focused on other priority areas, namely on the management and mitigation of the impacts of COVID-19.

### Network Innovation Competition and Network Innovation Allowance project deliverables

We consider it likely that projects could be disrupted for example with a more restricted access to academic staff project deliverables and milestones may need to be re-planned. We may need to suspend some trials on some of our projects which would then potentially need deferring for a number of months. We would therefore consider it possible some projects could not be completed within the 2020-21 financial year with implications on our licence obligations on reporting and funding arrangements.

### Information requests

The ability to respond to these requests efficiently, or at all, could be compromised by the loss of key personnel and we'd be grateful for early discussion of any specific needs anticipated by Ofgem. Indeed, we have already agreed with Ofgem a 5 week timescale for our response to the SSIF regarding its demand forecasting investigation.