

Incentives Monthly Monitoring Meeting

Meeting Minutes (July 2023-24)

Details

Date:	05 September 2023	Location:	Teleconference
Time:	14:00 - 16:00	Meeting Number:	58

Agenda

Ref	Time	Title	Owner
1	13:30 – 13:50	Balancing costs monthly update - Filippos	ESO
2	13:50 – 14:05	Static FFR: savings from moving to Day Ahead procurement - Krishna	ESO
3	14:05 – 14:15	ESO to highlight notable points from the published report	ESO
4	14:15 – 14:25	ESO to take questions on the published report	ESO
5	14:25 – 14:35	Ofgem to give feedback on ESO performance	Ofgem
6	14:35 – 14:45	Review actions & AOB	All

Participants

Name	Company
Simon Targett	ESO
Filippos Panagiotopoulos	ESO
Jillian Wells	ESO
Mark Robinson	ESO
Lizzie Blaxland	ESO
Phil Smith	ESO

Name	Company
Krishna Mohinani	ESO
David Dixon	ESO
Adam Gilham	Ofgem
Matthew Fovargue	Ofgem
James Hill	Ofgem
Nigel Swan	ESO

Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
44	127	09/06/22	September 2022 tbc	All	Organise wind forecasting deep dive sessions <i>Latest - Currently deprioritised, unlikely to take place before BP2 period</i>	Open
45	133	07/07/22	TBC	ESO	Categorisation of balancing costs: ESO to share breakdown of costs for previous months once the categorisation issue has been corrected. <i>Latest – ESO currently unable to provide a date for resolution. More ESO look the more complex it is becoming</i>	Open
53	177	30/03/2023	28/04/2023	ESO	Provide more information on is there a threshold at which wind becomes a problem. Set up a session on it after BP1 to discuss more in depth. <i>Update – Jill sent a response to Ofgem. Ofgem to reply with any follow up questions</i>	Open
54	185	27/04/2023	31/05/2023	All	Separate session to be arranged to discuss improvements to BP2 reporting and meetings. Simon and Matthew to agree slot at weekly check-in. <i>Update – Waiting for outcome, look at this in September.</i>	Open
55	187	01/06/2023	30/06/2023	ESO	Clarify with David Lenaghan the exact concerns regarding publishing BMU-level data in the public domain, and let Ofgem know. <i>Update – Timeline sent to Adam awaiting feedback</i>	Open
57	196	02/08/2023	08/09/2023	ESO	Provide Ofgem with more insight in to changes for Outage Optimisation and power potential in relation to balancing cost savings. Selected from projects list.	Open
58	201	05/09/2023	01/10/2023	ESO	NEW Provide Ofgem with the Metric 1A slides the day of the monthly meeting.	Open
58	202	05/09/2023	01/10/2023	All	NEW Agree a date and location by email for Ofgem and ESO to hold an in person meeting to discuss balancing costs	Open
58	203	05/09/2023	01/10/2023	ESO	NEW ESO to discuss a new approach with RRE 3A owners and send a proposal of how we would like to report on this RRE in line with James feedback	Open

58	204	05/09/2023	31/10/2023	NEW ESO to think about and supply Ofgem what specifically we are doing to drive costs down in relation to external factors affecting balancing costs.
58	205	05/09/2023	31/10/2023	NEW ESO to take away and think how they can showcase and track innovative actions vs BAU better

Discussion and Questions

Introduction by Phil about what will be discussed and the agenda. Also provided an overview of Metric 1A performance. Discussed how the benchmark was calculated and what the balancing costs were for July against it.

1. Balancing costs monthly update - Filippos

Phil passed to Filippos to go through the balancing costs performance for July 2023.

July balancing costs: Filippos Panagiotopoulos talked through drivers of the month’s balancing costs.

Area/Question/Feedback	ESO Response
Adam: External factors affecting balancing costs are clear, but it’s less clear what ESO are doing specifically to drive these costs down?	ACTION: ESO to take away and think about.
Adam: Any update on the minor components? I would like an update.	Filippos: still no change with no clear resolution to the error.
Adam: ESO need to track and demonstrate innovative actions vs BAU better	ACTION: ESO to take away and think about.

Adam had no other questions and is still liking the detail in the presentation from Filippos, jumped up in terms of detail and quality. Would like to receive the slides the day they are presented so can look at the detail in his own time.

ACTION: Provide Ofgem with the Metric 1A slides the day of the monthly meeting.

Lizzie then gave an update on the ongoing series of workshops. The most recent one of which came away with a list of actions on balancing cost projections. It had also been agreed that in person sessions going forward to discuss this information would be better. Need to agree where best this in person meeting would be between Ofgem and ESO. Need to agree a date and location by email after this session that works for everyone.

ACTION: Agree a date and location by email for Ofgem and ESO to hold an in person meeting to discuss balancing costs

2. Static FFR: savings from moving to Day Ahead procurement - Krishna

Krishna went through slides that showed; analysis of the comparison of SFFR on monthly tenders and DA procurement, a comprehensive understanding and comparing total costs between the aforementioned cases, the data was selected between November, 2022 to August, 2023. This includes 5 months of SFFR Monthly Tenders and 5 months of SFFR DA procurement. The slides focused on mean clearing prices, mean clearing volumes and total costs incurred.

Area/Question/Feedback	ESO Response
James: Happy to see these decisions are being reflected on. Noticed the comparison was 5 months, would be good to revisit this when we can compare a longer period to include seasonal differences.	Krishna/Nigel: This is something he has thought about and once a whole years' worth of data is available we will be able to compare month on month, year on year, to address seasonality.
James: This shows a positive story for SFFR and understand that is here to stay. Is there thinking on other services like MFR to bring that day ahead given the apparent success of this?	Nigel: We are doing some analysis on MFR now, studying what the spend is and whether that need to be retained or move to a different format. Obviously there is a lot of work going on at the dynamic side. We have a timetable until the end of the year to phase that out. Also have innovation projects in the pipeline looking at moving it to within real time. We don't have any results on that as of yet as it is still in development.

3. ESO to highlight notable points from the published report

Metric and RRE scores from latest month were shown.

4. ESO to take questions on the published report

Area/Question/Feedback	ESO Response
Adam: Related to wind, there was a significant upturn in error compared to previous months was this purely down to extra wind that caught you unawares?	Simon: I believe that was the case. But if the narrative doesn't explain that enough we can go to John to provide more detail.
James: I received the response sent by Mark on the 11 query. Happy with what was addressed but feel we need to look at how we report that better going forward. I will come back by email first but its just to keep the dialogue open on this one. I haven't got an answer on how we can improve that yet	Simon: Yes that's fine.

5. Ofgem to give feedback on ESO performance

Asked if Ofgem had any other feedback or anything else they wanted to raise.

Questions/Feedback
Adam: Has got other things to raise but will do this with Adelle in a session away from this, it is around engineering in Role 1.

6. Review actions & AOB:

1. Reviewed the previous actions as listed above, updates have been noted.
2. AOB

Topic

RRE 3A – James was concerned that it was just numbers when previously reported on and you couldn't identify the ESO performance out of them. Said It would be good to draw out the ESO driven savings, and not just all the savings associated with the particular activity. James doesn't want to see the same as last year because it didn't provide enough value to Ofgem but it could be useful going forward.

Send over a proposal to James on how we would like to report on it this time and then have a session to discuss the approach

ACTION: ESO to discuss a new approach with RRE 3A owners and send a proposal of how we would like to report on this RRE in line with James feedback – session to be set up after this

Six Month report – Need to discuss feedback process and timescales. Simon and Matthew to discuss during weekly meeting and agree timeline.

BP2 milestone changes – Simon proposed that the milestone changes, related to EMR Portal and connections reform, can't really be changed before the next quarterly report even if Ofgem approval the proposal now. Suggested it can be just updated in the notes for now and update at a later date when approval from Ofgem is confirmed. James agreed with this approach.

Previously Closed Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
56	193	29/06/2023	31/07/2023	ESO	ESO is going to send the projects list to Ofgem who will rank each one on if they want to hear more about it. <i>NEW Addition</i> – provide clarity on some activities on list that are vague.	Closed
57	195	02/08/2023	09/08/2023	ESO	ESO to send constraint costs for 2010-2015 for the calendar years to Ofgem.	Closed
57	197	02/08/2023	04/08/2023	ESO	Send feedback regarding reissuing numbers issue to Greg from new Role 3 RRE discussion	Closed
57	198	02/08/2023	23/08/2023	ESO	Check data for 1C if all data needs updating and not just April. Might require a wording change.	Closed
57	199	02/08/2023	23/08/2023	ESO	ESO to provide a response to Ofgem for the 11 query regarding the first instance of a trip after the change in policy to Ofgem.	Closed
57	200	02/08/2023	11/08/2023	All	Simon to send proposal for VfM over to Adam. Adam to confirm whether he is happy or wants to discuss further.	Closed