

Incentives Monthly Monitoring Meeting

Meeting Minutes (June & July 2024-25)

Details

Date:	05 September 2024	Location:	Teleconference
Time:	14:00 - 16:00	Meeting Number:	68

Agenda

Ref	Title	Owner
1	Balancing costs monthly update – Balancing Costs Team	ESO
2	Metric 1C update – John Walsh	ESO
3	Balancing costs data model – Balancing Costs Team	ESO
4	BP2 Mid-scheme outcome – Next Steps	ESO
5	ESO to highlight notable points from the published report	ESO
6	ESO to take questions on the published report	ESO
7	Ofgem to give feedback on ESO performance	Ofgem
8	Review actions & AOB	All

Participants

Name	Company
Simon Targett	ESO
Phil Smith	ESO
Mark Robinson	ESO
Yuchang Wang	ESO
David Dixon	ESO
John Walsh	ESO
Filippos Panagiotopoulos	ESO
Laura Woolsey	ESO

Name	Company
James West	ESO
Nicolas Achury Beltran	ESO
Ryan Carson	ESO
James Hill	Ofgem
Luke McCartney	Ofgem
Matthew Fovargue	Ofgem
Adam Gilham	Ofgem

ESO

Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
65	236	18/04/2024	30/06/2024	ESO	ESO and Ofgem to have conversation about what and how a new data set can be used going forward in FY 24/25 Update – We provided a demonstration of the dataset. We are waiting for confirmation from our comms team on how best to share it but should hopefully have a draft link able to share next week.	Open
67	243	10/07/2024	31/08/2024	ESO	ESO to produce paper, to send to Ofgem, explaining the minor components issue. Update – This is still being worked on, action ongoing	Open
68	244	05/09/2024	30/09/2024	ESO	NEW - ESO to set out how the savings on the 'calculated savings' slide were calculated and email to Ofgem.	Open
68	245	05/09/2024	30/09/2024	ESO	NEW - ESO to add the Seagreen wind farm boundaries onto next month's balancing costs slides.	Open
68	246	05/09/2024	30/09/2024	ESO	NEW - ESO to share details of the sub-synchronous oscillation (SSO) events occurring in June with Ofgem, and arrange a more comprehensive update on SSOs and the actions we're taking.	Open
68	247	05/09/2024	30/09/2024	ESO	NEW - ESO to arrange a session to discuss metrics 1B and 1C in more detail.	Open
68	248	05/09/2024	30/09/2024	ESO	NEW – For the June event under RRE 11, ESO to share details including the actions taken to get the frequency back to within the thresholds in the time limit.	Open
68	249	05/09/2024	30/09/2024	ESO	NEW - ESO to arrange a separate session to discuss what good performance looks like on RRE 2E	Open

ESO

Discussion and Questions

Introduction by Mark about what will be discussed and the agenda. Also gave an overview of balancing costs.

1. Balancing costs monthly update – Balancing Costs Team

June & July balancing costs: Laura Woolsey talked through drivers of the two months' balancing costs.

Area/Question/Feedback	ESO Response
<p>On the 'Calculated savings' slide, could you explain how you have calculated the savings, including what the counterfactuals are?</p> <p>We would also like to understand the Balancing Reserve methodology.</p>	<p>ACTION: We will put the methodologies together and email to you.</p>
<p>On the 'Metric 1A: Wind outturn' slide', do the biggest red dots represent Seagreen wind farm? Was it curtailed all month and was this due to outages or due to price?</p>	<p>Yes. The cause was outages in both months. There were two outages. One is in place until September and the other until December. ACTION: We'll look at showing the boundary limitations for Seagreen next time.</p>
<p>How often did sub-synchronous oscillation (SSO) events occur in June– how often did that occur in June.</p> <p>There were none in July – was that due to market conditions or actions the ESO took to prevent these events occurring?</p> <p>SSOs were a concern for industry last year – are you notifying the relevant Ofgem teams of these events and the actions we're taking?</p>	<p>ACTION: There were multiple events – we can come back with details of how many there were.</p> <p>We believe this was the result of market conditions.</p> <p>ACTION: We have an internal working group for SSOs so we will arrange a more comprehensive update and share it with you.</p>
<p>Are the Voltage pathfinder savings shown just Mersey?</p>	<p>Yes, Mersey only. We're still working on the Pennines and hope to have figures in the next couple of months.</p>
<p>It's disappointing that the constraint commercial options that you've been building up weren't able to assist in June. Your total spend on the tools was only £600 in Q1. Are there any learnings/feedback on the tools you've been building and why they weren't able to support to bring down costs?</p>	<p>We are thinking about this. We have seen certain outages resulting in difficult and congesting conditions. We will have a look at what we were missing in forecasting the conditions or in our constraint management tools.</p> <p>Internally there is a lot of thought going into intertrips on the B4 boundary at the moment.</p>

2. Forecasting 1B/1C update – John Walsh

John provided an overview on Metrics 1B/1C covering the drivers of performance in recent months, and the main challenges in forecasting currently.

Area/Question/Feedback	ESO Response
Ofgem would like to arrange a separate session to discuss wind forecasting and cover some of the points discussed today in more detail.	ACTION: ESO are happy to arrange a session to discuss forecasting in more detail.

3. Balancing costs data model – Balancing Costs Team

The balancing costs team gave an update on the balancing costs data model they are developing, and on the related actions 219 and 235.

Area/Question/Feedback	ESO Response
How will you use the model for looking forward and looking backward? How could it affect your day-ahead strategy?	<p>We will use it for three main purposes:</p> <ol style="list-style-type: none"> 1. Looking back analysis – we can estimate how different the costs might have been if conditions had been different. 2. Assessing the impact of forecasting errors on costs. 3. Looking forward – implementing this into the day-ahead strategy team so they can adjust their day-ahead plans. Using the model we can potentially flag periods when we expect costs to be above a certain level due to wind / demand conditions – they can then factor that information into setting their strategy for the day. <p>We plan to develop the model to a more granular level. It currently looks at system-wide wind and demand, but we aim to break it down further, e.g. by region.</p>
Might it be possible once this model is fully developed, to use it to help with CBA analysis? For example when considering different products or making network planning decisions, could the tool help with counterfactuals / what if scenarios?	We will consider these types of uses for the model as we develop it.

4. BP2 Mid-scheme outcome – Next Steps

The ESO is waiting on the feedback from Ofgem before planning engagement with ESO teams.

Ofgem are aiming to send the detailed feedback in week commencing 23 September 2024.

Ofgem are interested to hear feedback from across the on the change in approach for this year's report, where Ofgem moved away from the five performance criteria and focussed on a few key high level messages. Once the ESO has had the detailed feedback, Ofgem would be keen to hear their views on the change in approach.

ESO

5. ESO to highlight notable points from the published report

Metric and RRE scores from the latest month were shared.

6. ESO to take questions on the published report

The ESO invited questions and feedback on the published report from Ofgem.

Area/Question/Feedback	ESO Response
RRE 1I: Ofgem would like more detail on the event that occurred in June – what action did the ESO take to get the frequency back to within the thresholds in the time limit?	ACTION: The ESO will come back with a response on this.
RRE 2E – Ofgem are unsure what good performance is on this RRE and whether the ESO's performance is improving.	ACTION: The ESO will arrange a separate session with Ofgem and the relevant ESO team to talk through.

7. Ofgem to give feedback on ESO performance

The ESO invited questions and feedback on ESO's performance from Ofgem, or any general feedback they would like to give. Two items were discussed.

8. Review actions & AOB:

- **Mid-Year report** – session arranged to discuss on 6 September
- **Ofgem BP2 deep dives** – Adam to send a note on Charging Governance. Dates for sessions on various topics to be arranged.

Previously Closed Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
66	239	04/06/2024	30/06/2024	All	Ofgem/ESO to setup a meeting with balancing costs team to show how the new dashboard works and trial if it provides the correct data needed.	Closed
67	241	10/07/2024	31/07/2024	ESO	ESO to set up a session to discuss 18 month report proposals and Ofgem to review prior to session.	Closed
67	242	10/07/2024	31/07/2024	ESO	ESO to feedback to Wind forecasting team and provide clarity to Ofgem on what drove better performance in May	Closed
62	219	10/01/2024	31/01/2024	ESO	ESO to provide a response on the magnitude and impact of the high demand forecasting errors	Closed
65	235	18/04/2024	31/05/2024	ESO	Impact of Wind Generation on Constraints: ESO to share an overview of the balancing costs data we have so Ofgem can pick out the information they want to see	Closed