

Start time	3/31/2025 15:10
Completion time	3/31/2025 15:12
Email	anonymous
Name	
Respondent full name	Andrew Urquhart
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Which best describes your organisation?	Generator
I wish my response to be:	Non-Confidential - Your responses will be shared with industry, the SQSS Panel and the Authority for further consideration.
Do you agree that the FRCR 2025 has been prepared appropriately? Please elaborate...	<p>We welcome the steps NESO has taken to prepare the report, including commissioning Accenture to perform an independent view. To be fully satisfied with the process would have involved NESO providing Accenture with a wider scope of works. The current scope focused on ensuring robust process governance, documenting and adhering to methodologies and verifying the reproducibility of model results. Expanding this scope to encompass a comprehensive assessment of the principles and risks associated with network operation and the transition to Net Zero would have facilitated a more holistic independent evaluation.</p>
Do you believe there has been sufficient industry engagement in preparing FRCR 2025? Please specify further suggestions.	<p>Partially. While there were numerous webinars and engagements at specific forums, such as the SQSS Panel, we believe it would be beneficial to publish a comprehensive list of the questions and comments collected during these engagements, along with responses detailing the actions taken to address them. This approach would enhance transparency and assist stakeholders in determining their support for the recommended outcomes of the process.</p>

<p>Overall, do you agree that the FRCR 2025 represents the appropriate level of development in determining the way that the NESO will balance cost and risk in maintaining frequency security while operating?</p>	<p>To ensure the appropriateness of the process, it would have been prudent to evaluate the new policy position against major historical events on the GB transmission system. Specifically, applying the recommended 102GVA policy to all significant outages, including those in 2008, 2019, 2023, and 2025, would provide valuable insights into the policy's effectiveness (i.e. would 102GVA have been sufficient for stable system operation in each of these 4 outage events). This approach would better inform whether the policy remains robust when tested against relevant historical data.</p>
<p>Do you agree with the recommendation to reduce minimum inertia requirement down to 102 GVA.s?</p>	<p>Determining an appropriate level of risk is not the responsibility of the non-network stakeholders. This decision should be made by NESO and Ofgem, based on their understanding of market liquidity, costs and their risk appetite, on behalf of consumers, concerning security of supply. The non-network stakeholders lack visibility into market liquidity and do not bear the responsibility for assessing what constitutes a reasonable level of risk for consumers.</p>
<p>Do you agree with the recommendation to secure all BMU-only events (including consequential RoCoF)? If not, please explain why.</p>	<p>In recommending the 102GVA policy, NESO has opted not to account for simultaneous events. This decision appears to be based on the 1 in 9999-year residual risk, as indicated on slide 11 of the consultation webinar slides, and the level of market liquidity.</p> <p>However, both the August 2019 and March 2025 events were simultaneous occurrences. We recommend revisiting the analysis supporting the exclusion of simultaneous events, particularly in light of the most recent event which occurred after the NESO's FRCR work, i.e. this consultation. If the NESO conclusion remains that simultaneous events should not be covered by reserve capacities, it is essential for NESO to provide a clear rationale for their decision.</p>

<p>Do you agree with the recommendation to procure additional DC-Low service provision by 200 MW?? If not, please explain why.</p>	<p>The recommendation was formulated by evaluating the procurement of an additional 100MW, 200MW, and 300MW of DC-low from the market. According to Table 6 in the FRCR Report 2025, the differences between these procurement levels are as follows:</p> <p>? Procuring 200MW costs an additional i£1.62 million over 100MW, reducing the residual risk of a 49.5Hz event by 0.61 times per year and a 49.2Hz event by 10 years.</p> <p>? Procuring 300MW costs an additional i£1.61 million over 200MW, reducing the residual risk of a 49.5Hz event by 1.35 times per year and a 49.2Hz event by 5 years.</p> <p>Procuring 300MW offers greater benefits for 49.5Hz events and half the benefit for 49.2Hz events. To validate the 200MW recommendation, it would be prudent to test the procurement of 400MW to determine if the recommendation remains robust.</p>
<p>Do you have any other comments to the recommendations?</p>	<p>No.</p>
<p>In your view, what should the future FRCR focus on?</p>	<p>With the expansion of the network to incorporate new nuclear facilities, further interconnectors and the potential development of large offshore networks with offshore hubs, it is likely that the largest loss of infeed may need to be revised. We recommend that future FRCR assessments evaluate the potential impacts of losing a larger volume of generation and/or interconnection than currently planned and determine the associated consequences. Additionally, we would also recommend that advances in HVDC technology be included, i.e. Interoperability and circuit breakers, to assess whether any potential failures of them should be mitigated.</p>

<p>Do you foresee any issues that may arise from moving the obligation to produce the FRCR to a NESO License Condition rather than an Annex to the NETS SQSS?</p>	<p>Transferring the obligation from the SQSS to a License Condition poses the risk of diminishing industry oversight and governance. The current arrangements facilitate robust industry engagement on this very important topic, which not only enhances the quality of recommendations but also helps the industry gain a deeper understanding of network risks.</p> <p>If this obligation is moved to a license condition, the level of engagement and governance would need to be defined by Ofgem, potentially resulting in reduced engagement. For instance, NESO License Condition C16 SSEP currently requires NESO to engage with parties they deem interested. Should a similar outcome be applied to FRCR, then it would result in a less efficient system and not be in the best interest of consumers.</p>
<p>If the obligation to produce the FRCR and the governance rules surrounding that process are moved to NESO's License, do you believe that the NETS SQSS Panel should continue to provide oversight?</p>	<p>Yes.</p>
<p>If your answer to question 16 is "Yes", to what extent should this oversight be? For example, should it include technically assessing the recommendations and approving/rejecting it, or should it be li</p>	<p>It should be to include technically assessing the recommendations and approving/rejecting it. This is the only way to engage with the principles behind the process and the outcomes to allow sufficient challenge by industry to ensure the most efficient system outcome and the highest benefit for consumers.</p>