

Draft ESO RIIO-2 Business Plan 2 – Facilitating distributed flexibility

(1 April 2023 – 31 March 2025)

Sli.do Code: #0700624

Business Plan 2
Consultation
May 2022

Webinar
will start
at 15:02

Business plan overview

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Introductions and housekeeping



Microphones on mute



Cameras off



Session is being recorded and will be posted on the ESO website

- We will processing feedback from this session, considering it and using it to help steer our final business plan submission.
- We'll summarise feedback along with our response in our stakeholder annex.
- Link to our consultation questionnaire has been shared within the chat function.

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Agenda

- Welcome & housekeeping
- RIIO-2 & BP2 overview
- Facilitating Distributed Flexibility proposals
- Operational Visibility of DER
- Q&A



RIIO-2 price control timeline

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RIIO-2 Price Control Period

Business Plan 1
April 2021 to March 2023

Business Plan 2
April 2023 to March 2025

Business plan 3 (TBC)

1 April 2021

31 March 2026



The BP2 planning timeline



Next steps towards publishing our BP2 plan



We heard at our launch webinar that stakeholders wanted to hear more on our facilitating distributed flexibility proposals

Our focus for the BP2 period

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The new themes in our external environment and increased system complexity mean we've rethought our activity in the following ways:

1 Brand new activities to support the transition to net zero e.g. Early Competition and Offshore Coordination

2 Increased activity for our teams resulting from increased decentralisation of the energy sector

3 Activity from BP1 replanned or expanded to deal with growing system complexity



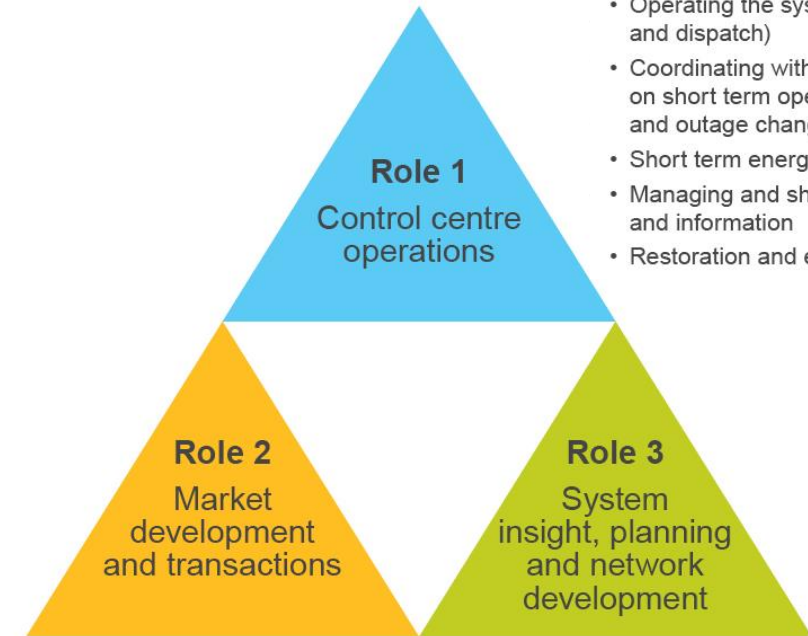
BP2 activity key takeaways

- Our three ESO roles are the same for BP2
- Significant number of new and changed activities for each role:

5 new activities:

- Market Monitoring
- Data and analytics operating model
- Net Zero Market Reform
- Role in Europe
- Offshore Coordination/Network Planning Review

And 12 new sub-activities



Role 1 activities:

- Operating the system (monitoring and dispatch)
- Coordinating with network operators on short term operational decisions and outage changes
- Short term energy forecasting
- Managing and sharing system data and information
- Restoration and emergency response

Role 2 activities:

- Balancing and ancillary service market design
- Service procurement and settlement
- Revenue collection
- Policy advice and delivery of market framework changes
- Code administrator
- EMR delivery body

Role 3 activities:

- Long term forecasting, energy scenarios and identification of network needs
- Network Options Assessment
- Delivering competitive system solutions and early network competition
- Managing connections and access to the network
- Whole system process development

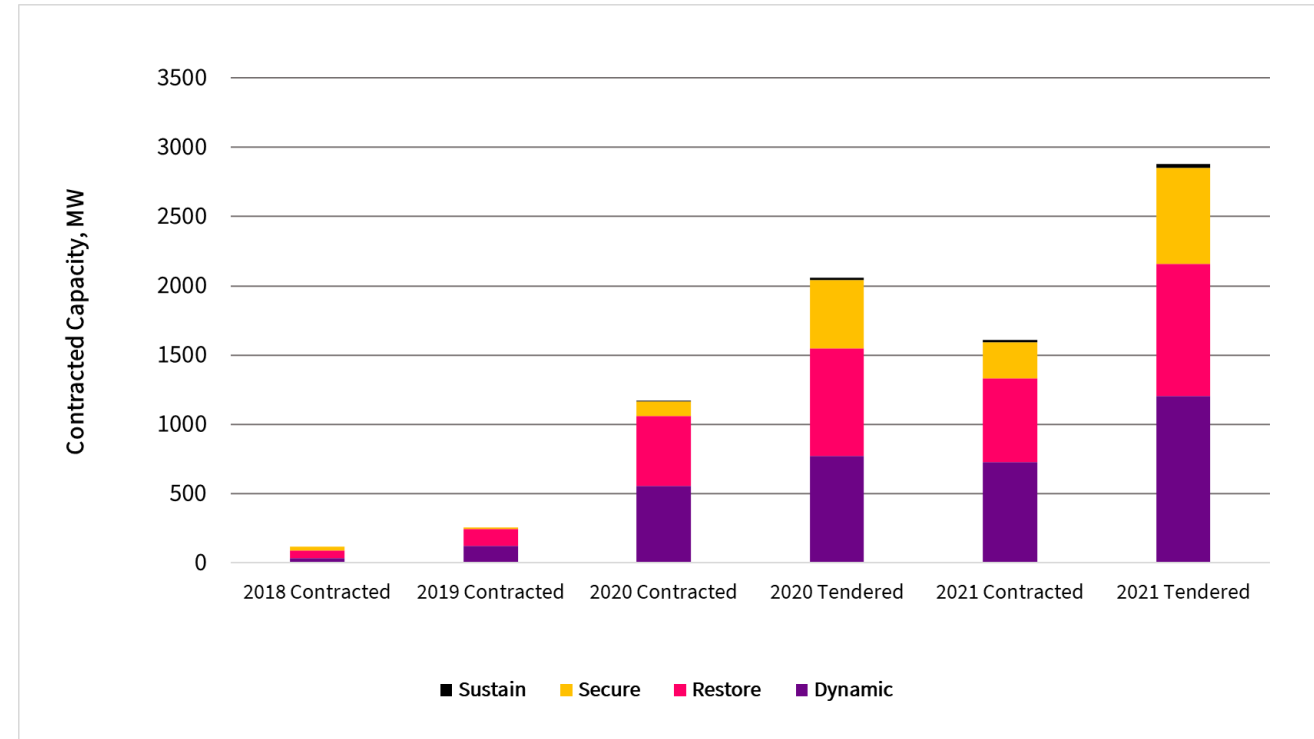
Facilitating distributed flexibility

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Facilitating distributed flexibility

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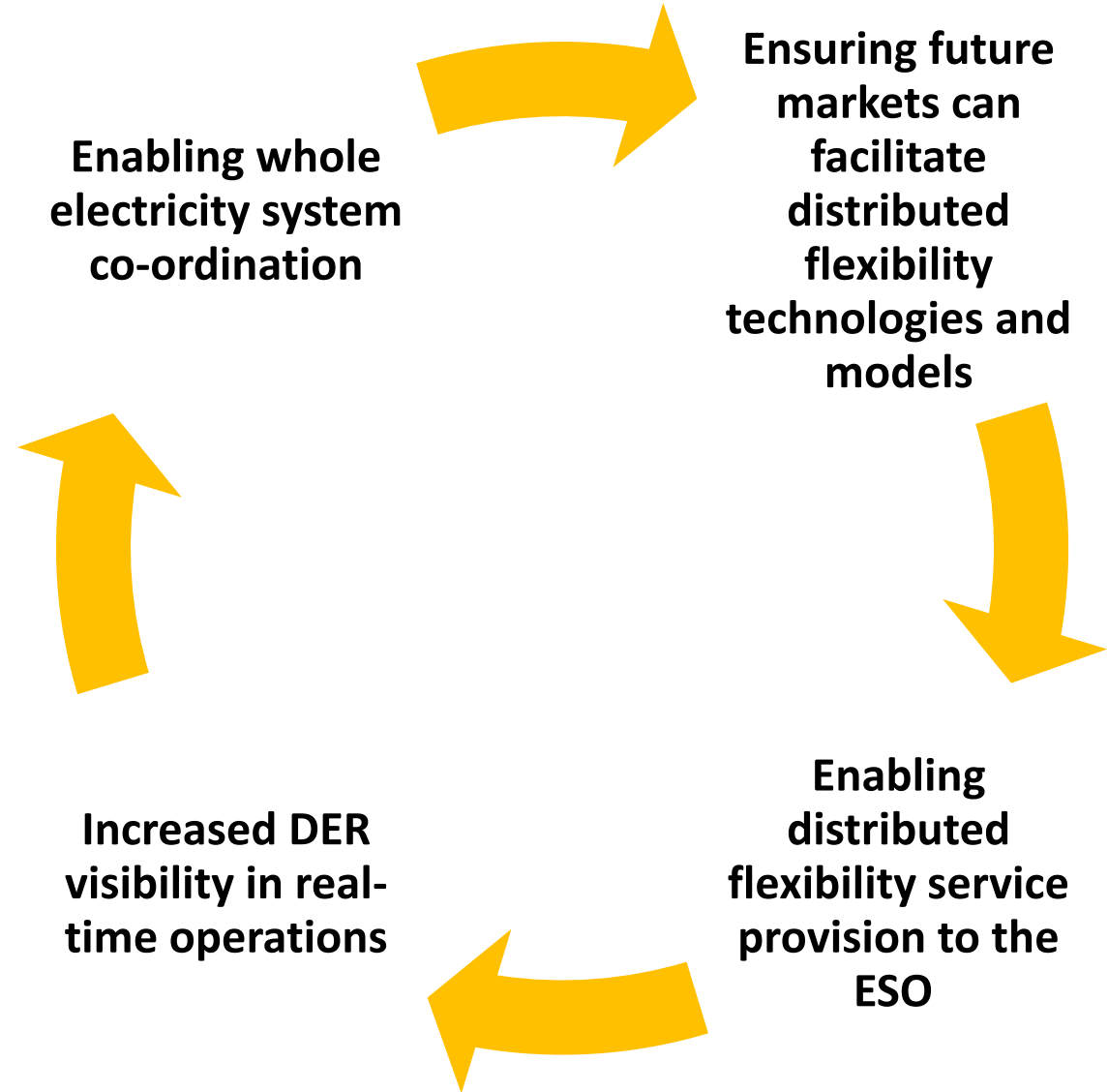


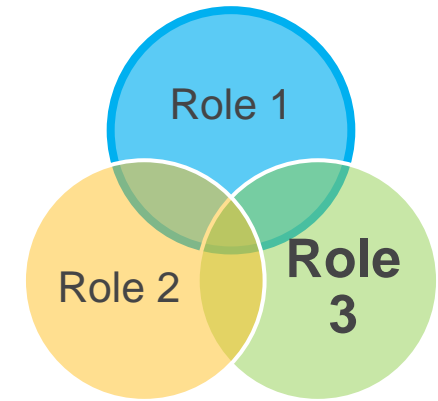
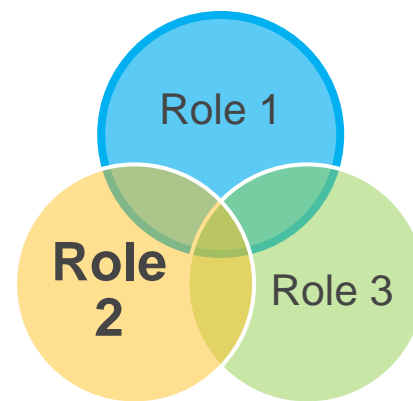
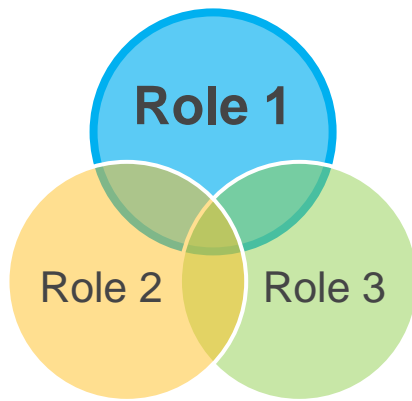
Tendered and contracted DSO services continue to climb upwards in 2021

Volumes of DSO services by service type, 2018 to 2021, MW

Source: Power Responsive Annual Report 2021

Increased focus in BP2 on facilitating distributed flexibility





A1.5 Operational coordination with DER & DSO

- D1.5.1 Increased DER visibility in real-time operations
- D1.5.2 Whole electricity system operational service coordination
- D1.5.3 Development of RDP and LCM functionality into real-time environment
- D1.5.4 Increased operational liaison

A4.5 Facilitate whole electricity system market access for DER

- D4.5.3 Reforming markets to facilitate future distributed flexibility technologies and models
- D4.5.4 Facilitating market access for DER
- D4.5.5 Ensure co-ordination of markets across the whole electricity system

A15.8 Facilitate distributed flexibility and whole electricity system alignment

- D15.8.1 Develop policy areas to facilitate distributed flexibility and whole electricity system alignment
- D.15.8.2 Enabling distributed flexibility service provision to the ESO
- D15.8.3 Enabling whole electricity system operational service co-ordination



Development of operational co-ordination systems into our control centre.



Enhancements to our Single Market Platform and Digital Engagement Platform.

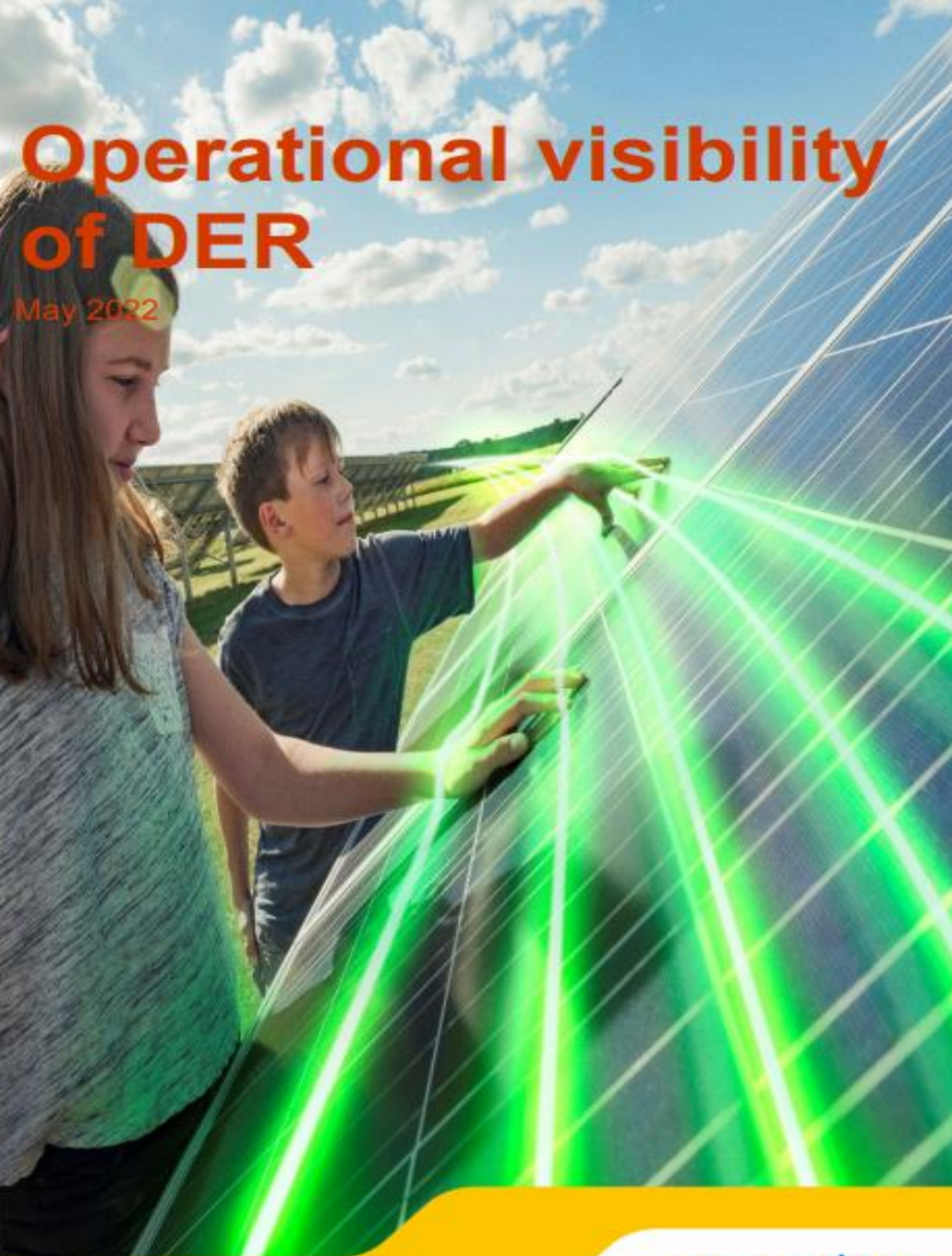
IT system changes to share service provider information with DSOs.



Operational data exchanges or ICCP links with all DNOs.

Operational visibility of DER

May 2022



Position paper published in May

Increasing volumes of DER could provide both ESO and DSO with flexibility services.



Greater operational visibility will be critical to the future operation of the electricity system.



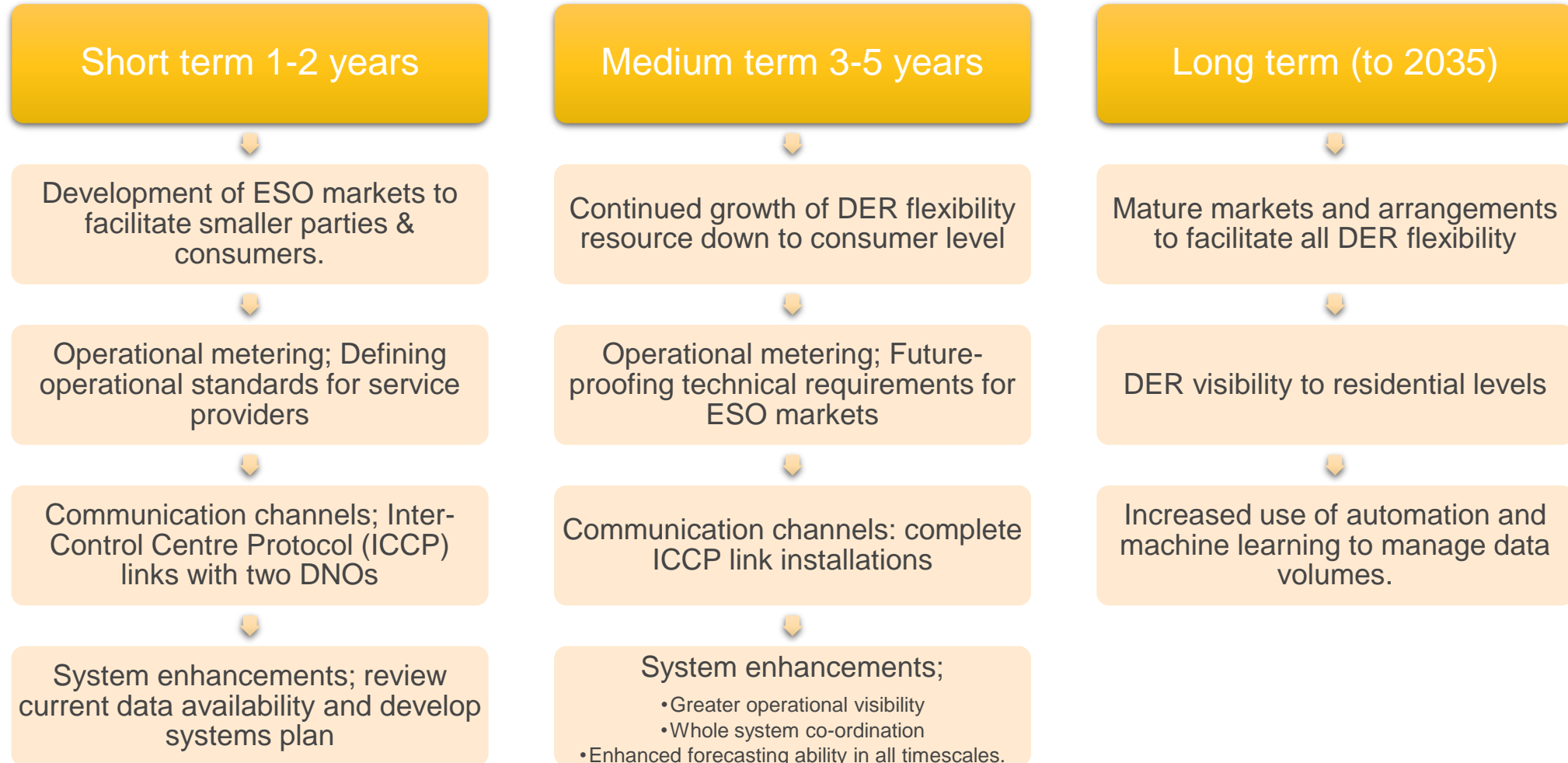
Feedback on our proposals welcome by **10 June**.



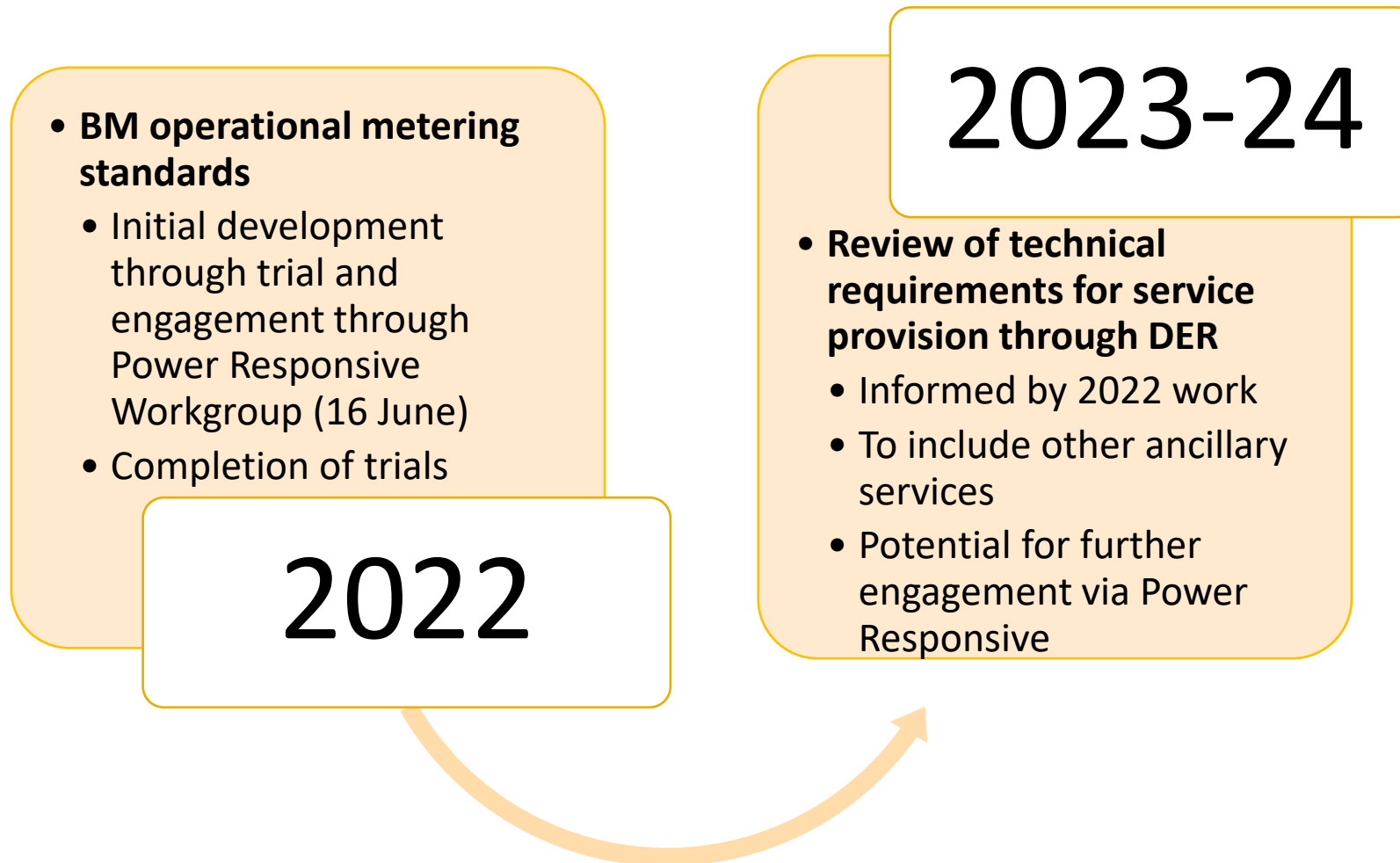
Critical to this visibility if the need for operational metering at a standard that works for all parties.

Roadmap to greater operational visibility

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Operational metering



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Q&A session

End of session poll

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Next event



Interactive webinar:
How can we empower consumers to participate in a flexible energy system?

To provide feedback on our draft Business Plan, understand opportunities in the energy transition for all, and develop thinking on what actions are needed to support consumers

10.30am - midday on 31st May 2022
[Sign up on Eventbrite here](#)

[Read our full RIIO-2 Business Plan 2 here](#)

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