

Incentives Monthly Monitoring Meeting

Meeting Minutes (January 2022-23 Report)

Details

Date:	02 March 2022	Location:	Teleconference
Time:	10:00 - 11:00	Meeting Number:	52

Agenda

Ref	Time	Title	Owner
1	10:05 – 10:20	SME slot – Balancing Costs	ESO
2	10:20 – 10:30	ESO to highlight notable points from the published report	ESO
3	10:30 – 10:40	ESO to take questions on the published report	ESO
4	10:40 – 10:50	Ofgem to give feedback on ESO performance	Ofgem
5	10:50 – 11:00	Review actions & AOB	All

Participants

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

Name	Company
Samar Ahmed	Ofgem
James Hill	Ofgem
Matthew Fovargue	Ofgem
Adam Gilham	Ofgem
David Beaumont	Ofgem

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</i>	Open
48	148	29/09/22	25/10/22	ESO	ESO to provide more clarity on cost saving actions in future meetings. <i>Update – Adam Gilham emailed Tom Carr but no response. Adam and Phil to reach out to Tom again</i>	Open
50	155	09/01/23	31/01/23	ESO	ESO to arrange a session with Ofgem in the Control Room in Wokingham for the ESO to walk through operational decision making in person. <i>Update – Ofgem to get back to us with suitable dates. ESO awaiting response from Cathy</i>	Open
50	156	09/01/23	31/01/23	ESO	ESO to arrange a session with Ofgem to talk through the timeline of decisions and actions taken on 12 December 2022 <i>Update – ESO to propose date to Ofgem (02/03/23 – ESO to follow up on this)</i>	Open
51	164	31/01/23	02/03/23	Ofgem	James to take away and relook at the elements of 2E and see if it is reporting what we want it to and what it's telling us. Will contact incentives team if still not clear after review <i>Update – James not had chance to look at this but still needs to get head around it. Will provide email response</i>	Open
52	172	02/03/2023	19/05/2023	ESO	NEW Jillian to take away the question 'Is there a threshold at which wind becomes a problem?' and try to provide an answer in the narrative for the BP! End of scheme report	Open
52	173	02/03/2023	19/05/2023	ESO	NEW Discuss with 2A metric owner to include explanation as to why there is a big difference between year 1 and year 2	Open

52	174	02/03/2023	10/03/2023	ESO	NEW OFGEM have re-raised concerns around NTC reporting after no answers. Simon to take away and find who can get a response	Open
52	175	02/03/2023	31/03/2023	Ofgem	NEW Adam to talk to Gurpal regarding milestones no longer valid: (A6.5) and provide update	Open
52	176	02/03/2023	31/03/2023	Ofgem	NEW Adam to provide dates and times available for a meeting to discuss 1A benchmark and make sure everyone is clear on what is coming out and what has been agreed going forward.	Open

Discussion and Questions

1. SME slot – Balancing costs

January balancing costs: Filippos Panagiotopoulos talked through drivers of the month's balancing costs.

Question	ESO response
Adam – Are the minor components fixed yet? When will they be fixed, is there a timeline? Will it be fixed by the end of BP1 end of scheme? If not, we are going to have a significant error in balancing costs for the year in terms of the distribution of those costs for the end of year report.	Filippos: minor components are still not fixed and doesn't think it will be fixed any time soon and won't be for the end of BP1. Meaning the error will still be present in the end of scheme report.
Adam - Is there a threshold at which wind becomes a problem? That question is going to be very much dependent on system conditions, but is there a generality level of wind that starts to become problematic?	Filippos: Not sure at the moment but was going to look into this at some point in the future. Action: Jillian: Take away and try and answer that question in the BP1 narrative at end of scheme.
Adam - Is the manifest error; an error as in the data is wrong and you didn't spend it or that you spent it and the reason you spent it was caused by an error?	Jillian: I would say it was the latter of those 2 options

Adam - A follow on from that. The next most expensive action taken seems like it wasn't too far off that. Asked whether ESO knew which unit the high cost instruction related to.

Filippos: The really high-cost action added is not on the chart that you're looking at. Because it was so much higher than the rest of them.

Filippos then shared his screen to show the complete chart, the really high-cost point, the settlement period and the date (25th Jan, SP31).

Adam - So was that an actual BOA instruction that someone acted on? And do we know who?

Filippos: Yes, this action was taken. We're currently investigating how that happened.

Jillian: I don't have who to hand now, we do have that information just not with me.

3. Questions on Metrics/RRE's

Question	ESO response
James – Looking at Metric 2A it has been in the red year 2 so far compared to being green in year one. We need an explanation as to why this is the case in the end of scheme report.	Action: Discuss with Metric 2A Owner to make sure this explanation is part of the narrative in the end of scheme report.

4. Feedback on performance

Area	Feedback
Feedback on performance	James Hill and Adam Gilham re-raised concerns around NTC reporting. This has been raised by James over the last few meetings. ESO are slow to progress issues – after initial progress on reporting, work has stalled. Concerns still exist on this, and in relation to ESO submitting supporting evidence for a derogation request, is getting more concerning, OFGEM would like to see some action on improvements sooner rather than later as it is becoming a bigger issue as time goes on. Action: Simon to take away and find who can get a response around NTC to OFGEM

6. Review actions & AOB:

1. Milestones no longer valid: Work with all stakeholders to create a fully digitalised, whole system Grid Code by 2025 (A6.5). Simon provided an update and asked OFGEM for a decision on if this can be moved to no longer valid. Adam said he will have a chat with Gurpal to see what we know from our side. In terms of it descopeing, even if it's agreed with stakeholders and Ofgem, I need to do a bit of thinking around whether the impact that has on the ambition of the plan. Given it's something that's not being done. Even if it's for good reason, it's you're then having to do less. **Action:** Adam to have a chat with Gurpal, in terms of a written approval from Ofgem.
2. End of Scheme Report – Key date updates. Simon gave an update on the dates related to the end of scheme events. Confirming they should now have placeholders for the in person panel event on 14th June and the virtual external stakeholder event to take place on Monday the 12th.

3. End of Scheme Report – Phil confirmed there had been a value for money dip check session this week and had a meeting on CBA's and case studies and what OFGEM would like to see. Confirmed this was really useful in terms of telling us what you want to see in the final report. We might have more questions around this in the future. Also we might share some sort of proposed content or example CBA or case study, perhaps just to get OFGEM's feedback. And then you can kind of say yes, that's what we're looking for or we need to show a bit more.
4. 1A Benchmark – Asked for an update from OFGEM regarding the benchmark in terms of the numbers and text. Adam confirmed he has put together the first draft of text for the ESORI and double checked the numbers. Broadly happy where we are at the moment but just conscious that you could then add the last couple of months of it and it completely change the numbers. I think we're going to have to draw a line and cut it somewhere. Need to be clear if this will be continually reviewed or not be changed for the next 2 years. We can't be changing it every month cause then it doesn't provide any kind of certainty with reporting. Adam going to try and share something with us as soon as the wording is more certain. Phil asked; Do you have any more thoughts on excluding outliers? Adam said as we've got new data the rationale for that has fallen by the wayside. So, Adam thinks we could make an argument for excluding it. Phil then asked about bandings and Adam confirmed the current wording states this is 10% but if a better way is found to measure than it is subject to review and change. **Action:** Adam to provide dates and times available for a meeting to Phil. This is to discuss this further and make sure everyone is clear on what is coming out and what has been agreed going forward.
5. Other BP2 Performance measures – Samar confirmed further discussions on 2A1, 2X and 3X connections metrics will be happening in the coming days and a proposal drawn up.

No other questions asked at the end of the session.

Previously Closed Actions

Meeting No.	Action No.	Date Raised	Target Date	Resp.	Description	Status
51	165	31/01/23	02/03/23	ESO	Make sure Metric 1B demand forecasting is included during BP2 discussions to determine key driver why it marginally is below expectations some months	Closed
51	166	31/01/23	10/02/23	ESO	Simon to confirm the exact dates we want to push back to for event and publication date.	Closed
51	167	31/01/23	02/03/23	ESO	Phil to set up slot in next month's meeting, to discuss CBA and case study templates. Also maybe add in other areas of the report to review at the same time	Closed
51	168	31/01/23	02/03/23	Ofgem	Ofgem to agree the 28th is a good date (for early view VfM) and who they would like to attend and inform ESO.	Closed
51	169	31/01/23	10/02/23	ESO	Simon to take away and communicate what date Ofgem should have the data for 2B	Closed
51	170	31/01/23	03/02/23	ESO	Phil to organise catch up session on Friday, on Metric 1A benchmark. Phil to chase Filippou in to providing the monthly and daily figures to Adam	Closed

51	171	31/01/23	02/03/23	Ofgem	James will respond to new no longer valid milestones. James is looking for more information before changing them to no longer valid.	Closed
----	-----	----------	----------	-------	--	--------
