



Forum

Second Balancing Services Charges Task Force Update

The webinar will begin shortly





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national**grid**ESO





Agenda

Second Balancing Services Charges Task Force

- > Task Force Overview - Eleanor Horn, ESO
- > Task Force Deliverables - Paul Jones, Uniper
- > Ofgem Update- Lynda Carroll, Ofgem

Q&A Panel

- > Eleanor Horn, ESO (Taskforce Secretariat)
- > Paul Jones, Uniper (Taskforce Member)
- > Jon Wisdom (ESO Task Force Member)
- > Lynda Carroll, Ofgem
- > Andrew Self, Ofgem



Menti Question

- > Which Christmas chocolate box/tin are your favourites?
- > Quality Street
- > Celebrations
- > Miniature Heroes
- > Roses



Overview

- > The Second Balancing Services Charges Task Force was set up in January 2020 to tackle two deliverables:
 1. Who should pay BSUoS?
 2. How should the charge be recovered?
- > A consultation was run from 22 July 2020 – 26 August 2020 to gather industry feedback
- > 35 responses were received from a wide range of industry parties, of which two are confidential
- > Report submitted to Ofgem on 30 September 2020

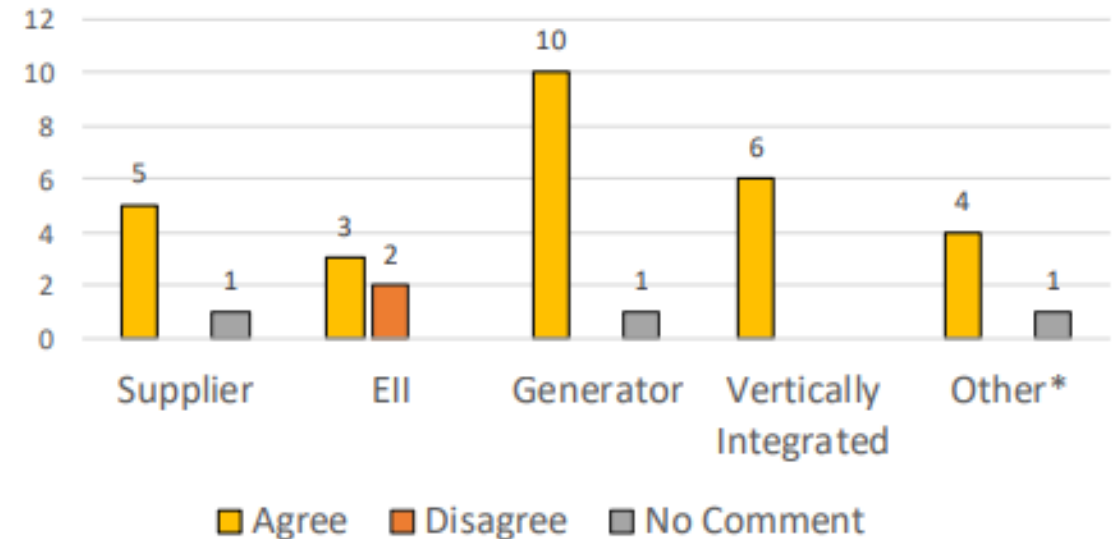
➤ Deliverable 1: Final Demand only should pay

Task Force's Key Reasons

- Mitigating existing distortions between generators
- Minimal impact on decarbonisation
- Most efficient way of charging a “cost-recovery” charge

Consultation Feedback

Do you agree with the Task Force's recommendations on who should pay Balancing Services Charges?



The Task Force's final recommendations are that Final Demand only should pay BSUoS



Deliverable 2

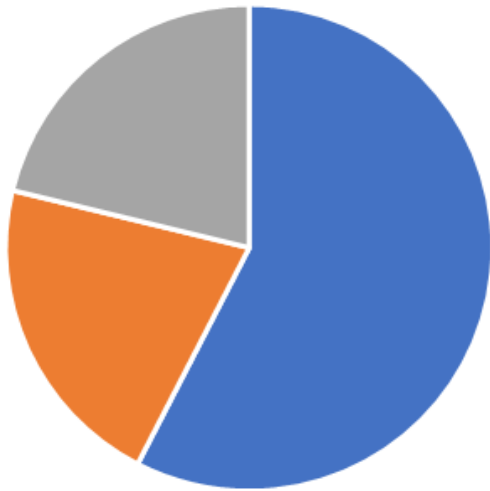
The Task Force's final recommendations on Deliverable 2 are:

1. BSUoS should be a volumetric (£/MWh) charge
2. BSUoS charges should be fixed ex ante
3. The combined length of fix and notice period should be 14/15 months

BSUoS should be a fixed, volumetric charge with 14/15 months fix/notice

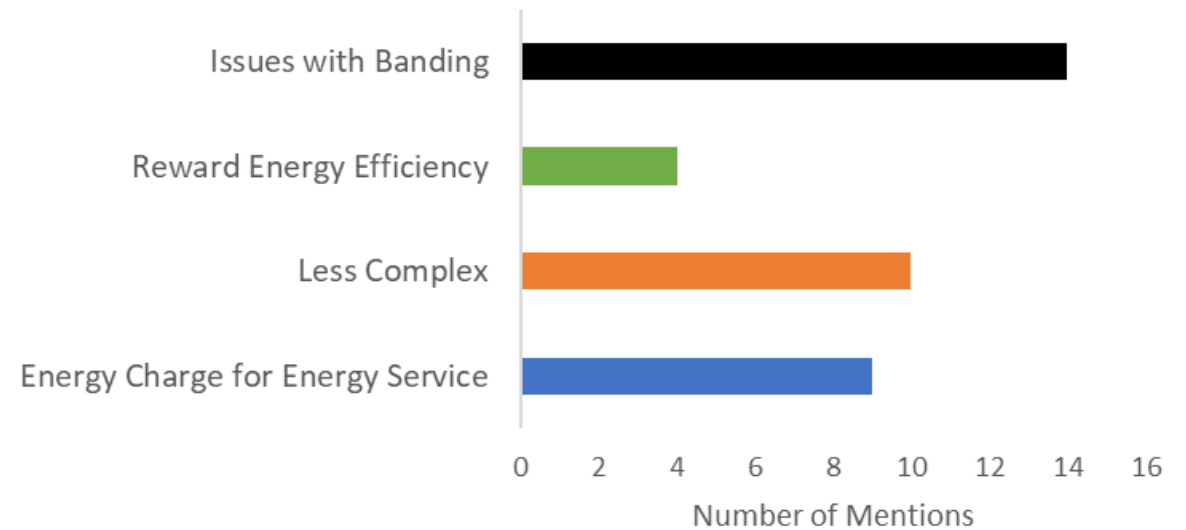
➤ Deliverable 2

How should the charge be recovered?



■ Volumetric ■ Banded ■ No Comment

Reasons for Supporting a Volumetric Charge



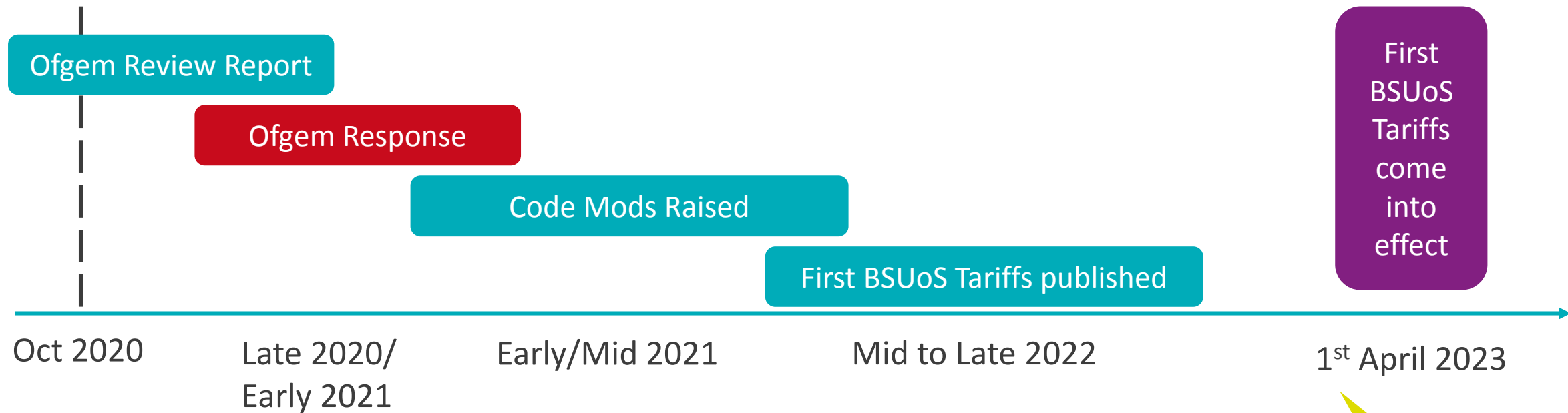
73% of respondents that commented believed that a volumetric charge was the most appropriate option for BSUoS charging

➤ What happens next?

Ofgem will now review the Task Force's recommendations

Task Force recommend 2 years' notice to industry following Ofgem's response

Possible Implementation Timeline



Ofgem Update

Lynda Carroll, Ofgem

Q&A

Eleanor Horn, ESO

Jon Wisdom, ESO

Paul Jones, Uniper

Lynda Carroll, Ofgem

Andrew Self, Ofgem



Feedback

> How did we do?



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Thanks

