

Introduction | Sli.do code #OTF

To ask questions live and provide us with post event feedback go to Sli.do and join event code #OTF.

- Ask your questions as early as possible as our experts may need time to ensure a correct answer can be given live.
- Please provide your name or organisation. This is an operational forum for industry participants therefore questions from unidentified parties will not be answered live. If you have reasons to remain anonymous to the wider forum please use the advance question or email options given on the slide.
- Questions will be answered in the upvoted order whenever possible. We will take questions from further down the list when: the answer is not ready; we need to take the question away or the topic is outside of the scope of the OTF.
- Sli.do will remain open until 12:00, even when the call closes earlier, to provide the maximum opportunity for you to ask questions.
- All questions will be recorded and published. Questions which are not answered on the day will be included, with answers, in the slide pack for the next OTF.
- Ask questions in advance (before 12:00 on Monday) at: https://forms.office.com/r/k0AEfKnai3
- Ask questions anytime whether for inclusion in the forum or individual response at: box.NC.customer@nationalgrideso.com

Future deep dive / focus topics

Today

Future

Special Events Operational Strategy Process (including Managing Storm Conditions) – 6th March

If you have suggestions for future deep dives or focus topics please send them to us at: box.NC.customer@nationalgrideso.com and we will consider including them in a future forum

Ancillary Services Important Industry Notifications Dataset

The dataset contains the latest update on important ancillary services procurement changes. Please subscribe to get the latest update.

Ancillary Services Important Industry Notifications | ESO (nationalgrideso.com)

Balancing Reserve – EAC Go Live

Key Milestone Achieved

On Thursday 8th February Ofgem approved the proposed amendments to the Balancing Reserve Procurement Rules and Service Terms. The Ofgem decision letter can be found using this <u>link.</u>

We can also confirm that we now have formal approval for technical go-live of the addition of Balancing Reserve to the EAC platform.

The EAC platform will now procure Response services as well as Balancing Reserve services.

Balancing Reserve has launched on the EAC platform on <u>Tuesday 27th February at 08:15</u>, this means the gate for bid submissions is open ahead of the first Balancing Reserve auction taking place on <u>Tuesday 12th March at 08:15</u>. Response auctions will continue to take place as normal on the EAC platform at 14:00 daily.

We have updated the EAC Market Design Explainer document on the EAC webpage to now include Balancing Reserve. This document can be found using this link: https://www.nationalgrideso.com/document/277671/download

The EAC sandbox environment will remain in place for any providers to use as a testing platform, if you wish to register for access to this then please email box.futureofbalancingservices@nationalgrideso.com

More information on EAC and materials from previous webinars can be found on our <u>website</u>. If you have any queries please email us at: <u>box.futureofbalancingservices@nationalgrideso.com</u>

Markets Forum – March 2024

7 March - Publication of recorded webinar.

Including several topics, such as:

- Launch of Markets Roadmap
- Revenue stacking
- Operational metering
- Enhancing Energy Storage in the Balancing Mechanism
- REMA

To receive a link to the video, please sign up to the distribution list <u>here</u> or via the QR code below:

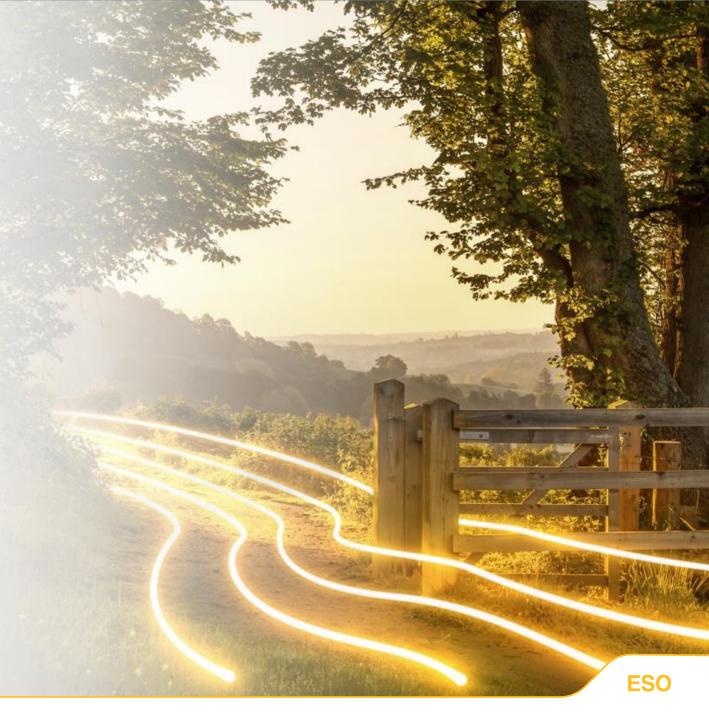


14 March – Live Q&A webinar

To sign up to the webinar, select here

If you have any questions, please contact the team at:

box.MarketsEngagement@nationalgrideso.com



Upcoming NESO Webinars

Join us in our upcoming webinars to learn more about the new responsibilities of NESO from Day 1, how these will evolve and how we can work together to deliver a net zero energy system that balances sustainability with affordability and security.

Resilience and Security

26 February, 11:00

Find out how NESO is establishing a Directorate of Resilience and Emergency Management that will take a whole system perspective when considering resilience and security for GB.

Recording will be available online

Strategic Planning

1 March, 10:30

Find out how NESO will deliver national and regional energy planning bringing electricity, gas and hydrogen plans together to efficiently deliver net-zero.

Market Development

6 March, 10:00

Find out how NESO will drive the evolution of market arrangements across the whole energy system to facilitate security of energy supply and deliver investible markets at the most equitable cost to consumers.



Sign up via the registration links on the ESO website and LinkedIn

https://www.nationalgrideso.com/what-we-do/becoming-national-energy-system-operator-neso

Implementation of Frequency Risk and Control Report (FRCR) 2023 - Reduced Minimum Inertia Policy

- From 28th February 2024 the ESO will implement FRCR 2023 Phase 1, i.e. operating the system at reduced minimum inertia policy at 130GVA.s.
- To avoid any unintended operability risks associated with the lower level of the minimum inertia policy, we plan to operate the system with 130GVA.s minimum inertia policy for at least 8 weeks.
- After this initial phase, we will communicate with the industry through OTF ahead of making the change for the implementation of Phase 2 which will reduce the minimum inertia policy further from 130GVA.s to 120GVA.s

If you would like to talk about the change please contact:
box.techcodes@nationalgrideso.com
07768 537317

FRCR 2023 Full Report and other Documents, please go to <u>ESO website</u>

Enhancing the use of storage assets in our balancing activities

12 February webinar

- We remain on track, 10 new activities added to the plan
- Open Balancing Platform launched on 12 December progressively increased utilisation in our operations
- Enhancements to our Scheduling and Dispatch processes

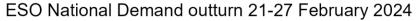
Link to webinar recording and slides here

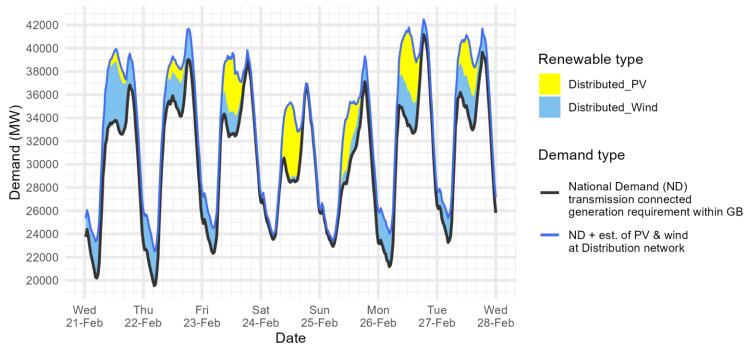
Proposal to change the 15-minute rule to 30 minutes – planned for 11 March 2024

- We initially proposed to extend this rule to 30 minutes from 1 March 2024, ahead of the launch of Balancing Reserve
- This will allow energy storage units to be instructed for up to 30 minutes, depending on system conditions. Units must ensure they can sustain their declared available energy for the length of the instruction (up to 30 minutes), this will be monitored as per normal process. The new 30-minute rule will be in place until new energy storage parameters are in place as part of GC0166
- General feedback has been positive and supportive of the change, however, a small number of participants have expressed they would like more time to implement the change
- Therefore, new proposed date for implementation is 11 March 2024. New MEL/MIL guidance will be issued this week
- Get in touch by emailing box.balancingprogramme@nationalgrideso.com

OUTTURN

Demand | Last week demand out-turn





The black line (National Demand ND) is the measure of portion of total GB customer demand that is supplied by the transmission network.

ND values **do not include** export on interconnectors or pumping or station load

Blue line serves as a proxy for total GB customer demand. It includes demand supplied by the distributed wind and solar sources, but it <u>does not include</u> demand supplied by non-weather driven sources at the distributed network for which ESO has no real time data.

Date	Forecasting Point	National Demand (GW)	Dist. wind (GW)	National Demand (GW)	Triad Avoidance est. (GW)	N. Demand adjusted for TA (GW)	Dist. wind (GW)
21 Feb	Evening Peak	37.1	2.4	36.8	0.0	36.8	2.7
22 Feb	Overnight Min	19.7	3.1	19.5	n/a	n/a	3.0
22 Feb	Evening Peak	38.0	3.4	39.0	0.0	39.0	2.6
23 Feb	Overnight Min	21.4	2.9	22.3	n/a	n/a	2.2
23 Feb	Evening Peak	38.2	1.6	39.0	0.0	39.0	0.8
24 Feb	Overnight Min	22.6	1.1	23.5	n/a	n/a	0.5
24 Feb	Evening Peak	35.8	1.0	36.7	0.0	36.7	0.3
25 Feb	Overnight Min	21.7	1.1	22.9	n/a	n/a	0.5
25 Feb	Evening Peak	36.5	1.9	37.1	0.0	37.1	2.2
26 Feb	Overnight Min	21.0	2.6	21.2	n/a	n/a	2.8
26 Feb	Evening Peak	39.6	2.2	41.2	0.0	41.2	1.3
27 Feb	Overnight Min	23.0	1.7	23.3	n/a	n/a	2.1
27 Feb	Evening Peak	39.6	1.8	39.6	0.0	39.6	1.9

FORECAST (Wed 21 Feb

Historic out-turn data can be found on the <u>ESO Data Portal</u> in the following data sets: <u>Historic Demand Data</u> & <u>Demand Data Update</u>

FORECAST (Wed 28 Feb)

Dist. wind

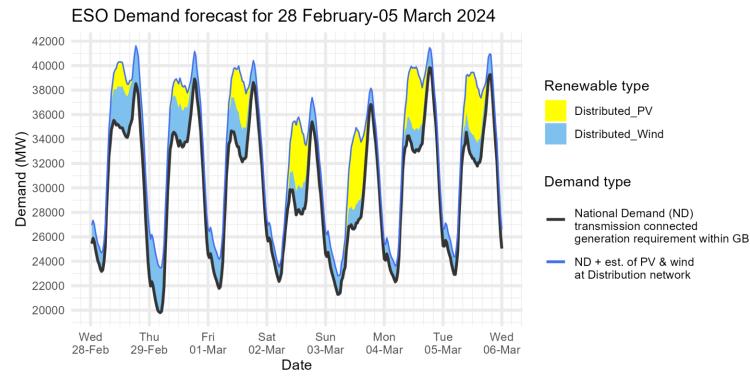
(GW)

National

Demand

(GW)

Demand | Week Ahead



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28 Feb 2024	Overnight Min	23.2	1.5
28 Feb 2024	Evening Peak	38.5	3.1
29 Feb 2024	Overnight Min	19.8	3.7
29 Feb 2024	Evening Peak	38.9	2.3
01 Mar 2024	Overnight Min	21.8	2.4
01 Mar 2024	Evening Peak	38.6	1.8
02 Mar 2024	Overnight Min	22.4	1.2
02 Mar 2024	Evening Peak	35.4	2.0
03 Mar 2024	Overnight Min	21.3	1.5
03 Mar 2024	Evening Peak	36.8	1.3
04 Mar 2024	Overnight Min	22.3	1.3
04 Mar 2024	Evening Peak	39.8	1.5
05 Mar 2024	Overnight Min	22.9	1.4
05 Mar 2024	Evening Peak	39.3	1.6
	28 Feb 2024 29 Feb 2024 29 Feb 2024 01 Mar 2024 01 Mar 2024 02 Mar 2024 02 Mar 2024 03 Mar 2024 03 Mar 2024 04 Mar 2024 04 Mar 2024 05 Mar 2024	28 Feb 2024 Evening Peak 29 Feb 2024 Overnight Min 29 Feb 2024 Evening Peak 01 Mar 2024 Overnight Min 01 Mar 2024 Evening Peak 02 Mar 2024 Overnight Min 02 Mar 2024 Evening Peak 03 Mar 2024 Evening Peak 03 Mar 2024 Overnight Min 03 Mar 2024 Evening Peak 04 Mar 2024 Overnight Min 04 Mar 2024 Evening Peak 05 Mar 2024 Overnight Min	28 Feb 2024 Evening Peak 38.5 29 Feb 2024 Overnight Min 19.8 29 Feb 2024 Evening Peak 38.9 01 Mar 2024 Overnight Min 21.8 01 Mar 2024 Evening Peak 38.6 02 Mar 2024 Overnight Min 22.4 02 Mar 2024 Evening Peak 35.4 03 Mar 2024 Evening Peak 35.4 03 Mar 2024 Evening Peak 36.8 04 Mar 2024 Evening Peak 36.8 04 Mar 2024 Overnight Min 22.3 04 Mar 2024 Evening Peak 39.8 05 Mar 2024 Overnight Min 22.9

Forecasting

Point

Date

Historic out-turn data can be found on the <u>ESO Data Portal</u> in the following data sets: <u>Historic Demand Data</u> & <u>Demand Data Update</u>

Operational margins | Week Ahead

How to interpret this information

This slide sets out our view of operational margins for the next week. We are providing this information to help market participants identify when tighter periods are more likely to occur such that they can plan to respond accordingly.

The table provides our current view on the operational surplus based on expected levels of generation, wind and peak demand. This is based on information available to National Grid ESO as of 28th February and is subject to change. It represents a view of what the market is currently intending to provide before we take any actions. The interconnector flows are equal to those in the Base case presented in the Winter Outlook.

The indicative surplus is a measure of how tight we expect margins to be and the likelihood of the ESO needing to use its operational tools.

For higher surplus values, margins are expected to be adequate and there is a low likelihood of the ESO needing to use its tools. In such cases, we may even experience exports to Europe on the interconnectors over the peak depending on market prices.

For lower (and potentially negative) surplus values, then this indicates operational margins could be tight and that there is a higher likelihood of the ESO needing to use its tools, such as issuing margins notices. We expect there to be sufficient supply available to respond to these signals to meet demand.

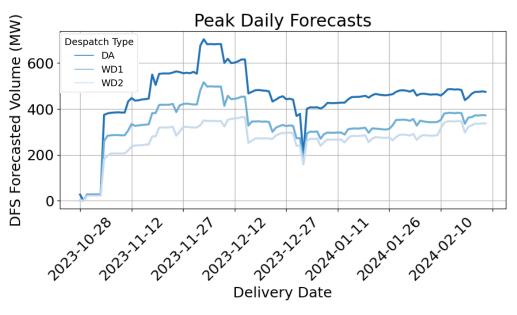
Margins are adequate for the next week.

Day	Date	Notified Generation (MW)	Wind (MW)	IC Flows* (MW)	Peak demand (MW)	Indicative surplus (MW)
Thu	29/02/2024	41572	9970	4080	39510	11590
Fri	01/03/2024	41513	9480	4080	39220	11630
Sat	02/03/2024	40545	9550	4080	36010	13970
Sun	03/03/2024	41610	5160	4080	37430	9300
Mon	04/03/2024	42076	6950	4080	40440	8350
Tue	05/03/2024	42793	7380	4080	39870	10040
Wed	06/03/2024	42995	8290	4080	39150	11900

^{*}Interconnector flow in line with the Winter Outlook Report Base Case but will ultimately flow to market price

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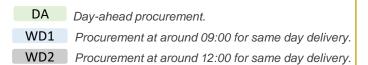
Demand Flexibility Service

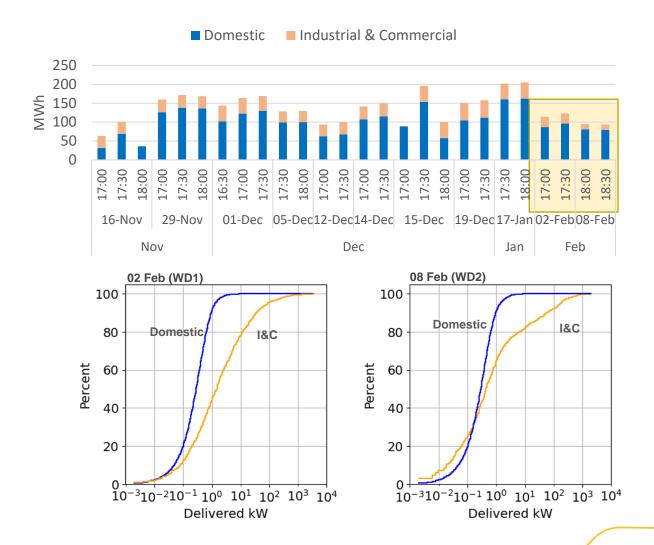


Dogwatch	Number of events			
Despatch Time	Live	Test (GAP £3,000/MWh)	Test (GAP £0/MWh)	
Day-ahead	2	2	0	
Within day 1	0	3	1	
Within day 2	0	2	1	
Total	2	7	2	

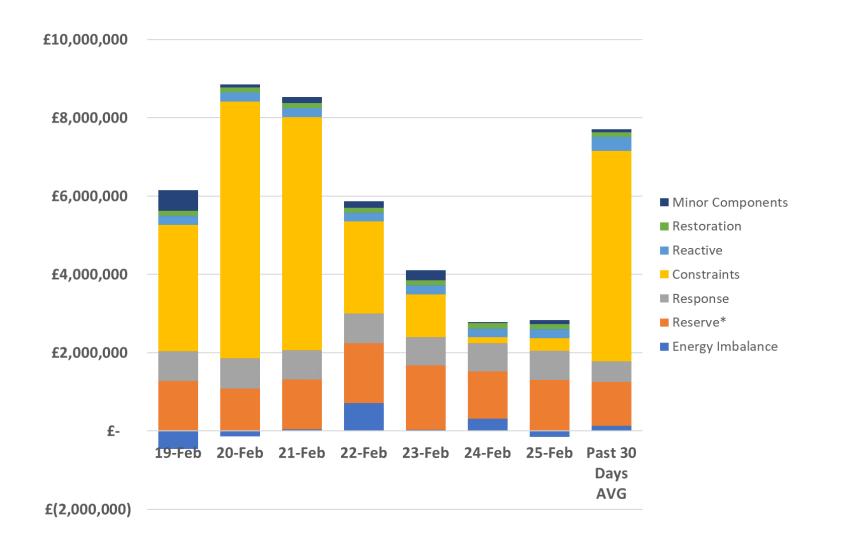
Latest events:

Delivery Date: 8th February 2024; 18:00 to 19:00 h Within day 2, GAP = 0£/MWh.





ESO Actions | Category costs breakdown for the last week



Date	Total (£m)
19/02/2024	5.7
20/02/2024	8.7
21/02/2024	8.5
22/02/2024	5.9
23/02/2024	4.1
24/02/2024	2.8
25/02/2024	2.7
Weekly Total	38.4
Previous Week	26.3

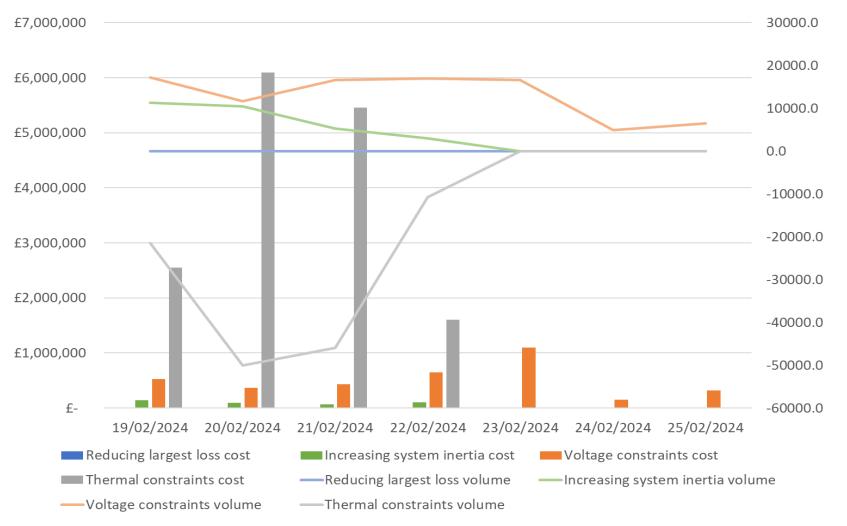
Constraints and Reserve costs were the key cost component for the week.

Please note that all the categories are presented and explained in the MBSS.

Data issue: Please note that due to a data issue on a few days over the last few months, the Minor Components line in Non-Constraint Costs is capturing some costs on those days which should be attributed to different categories. It has been identified that a significant portion of these costs should be allocated to the Operating Reserve Category. Although the categorisation of costs is not correct, we are confident that the total costs are correct in all months. We continue to investigate and will advise when we have a resolution.

ESC

ESO Actions | Constraint Cost Breakdown



Thermal – network congestion

Actions were required to manage thermal constraints throughout the week except for Friday and Saturday, with the most significant costs on Tuesday and Wednesday.

Voltage

Intervention was required to manage voltage levels throughout the week.

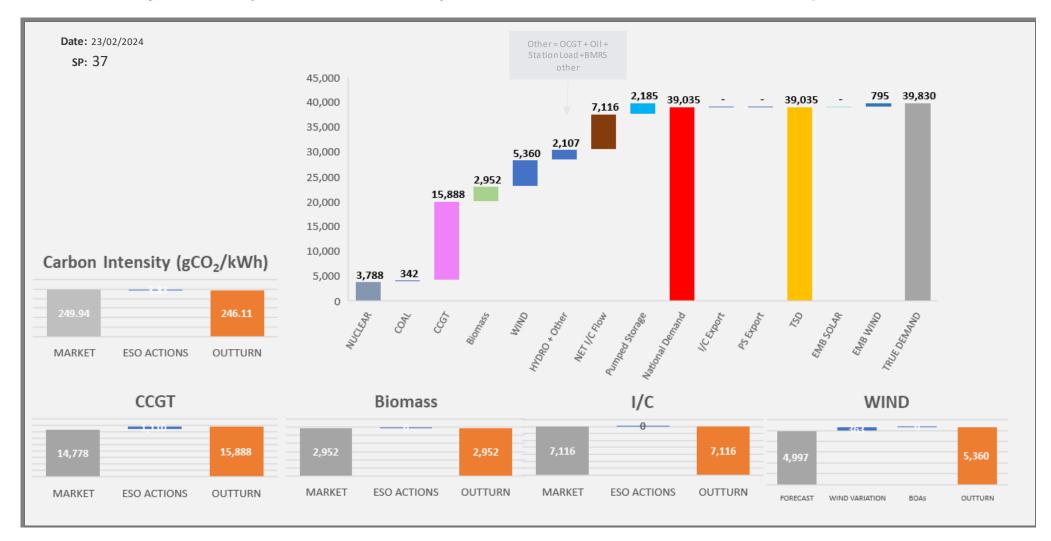
Managing largest loss for RoCoF

No intervention was required to manage largest loss.

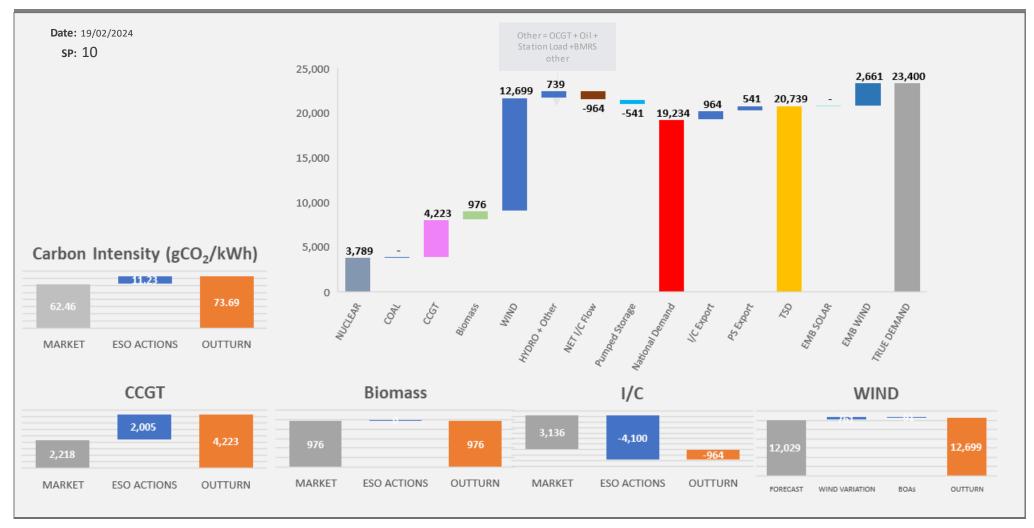
Increasing inertia

Intervention was required to manage System Inertia Monday through until Thursday.

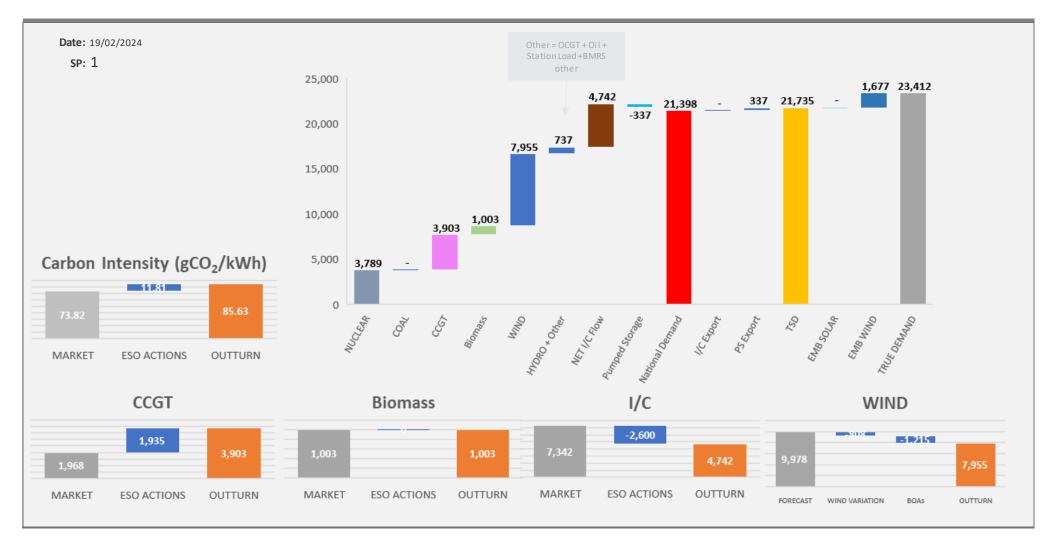
ESO Actions | Friday 23 February - Peak Demand - SP spend ~£34k



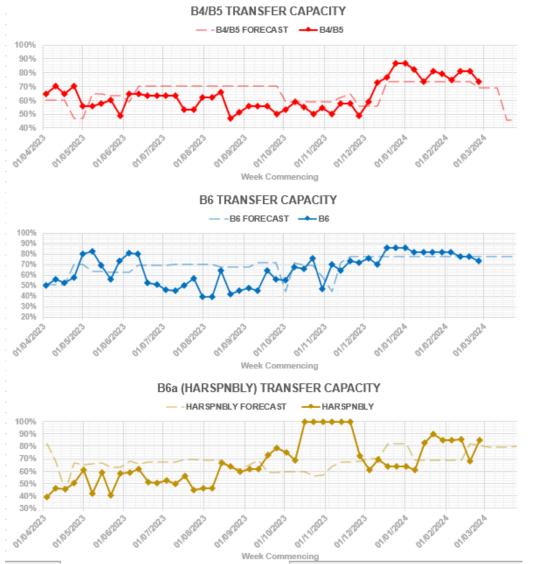
ESO Actions | Monday 19 February – Minimum Demand – SP Spend ~£174k



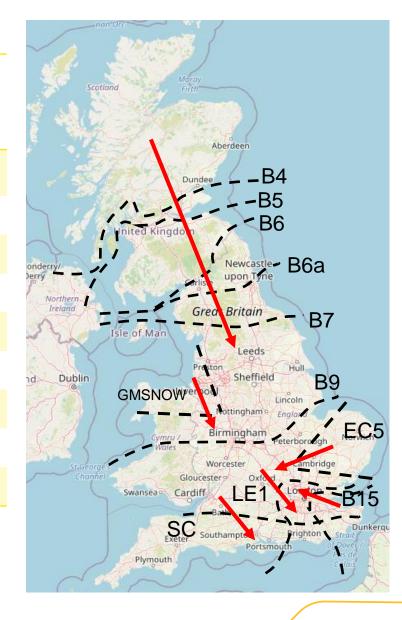
ESO Actions | Monday 19 February - Highest SP Spend ~£309k



Transparency | Network Congestion

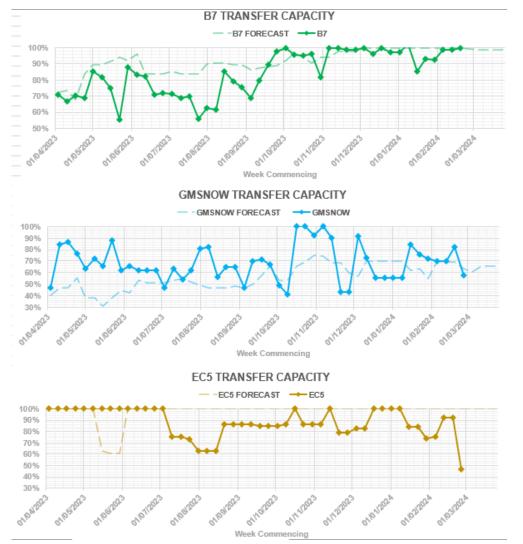


Boundary	Max. Capacity (MW)	Current Capacity (%)
B4/B5	3400	74%
B6	6800	74%
B6a	8000	85%
B7	8325	100%
GMSNOW	4700	75%
EC5	5000	47%
LE1	8500	78%
B15	7500	100%
SC	7300	100%

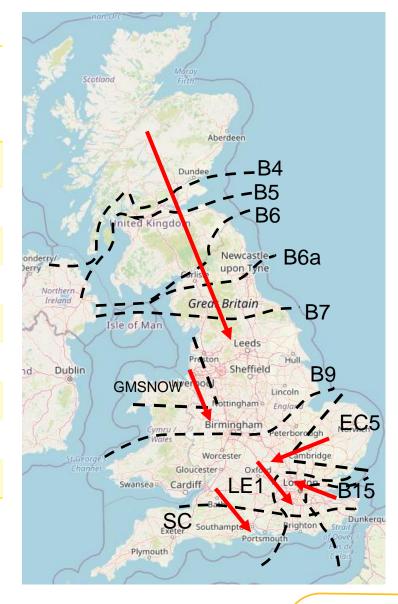


Day ahead flows and limits, and the 24-month constraint limit forecast are published on the ESO Data Portal: https://data.nationalgrideso.com/data-groups/constraint-management

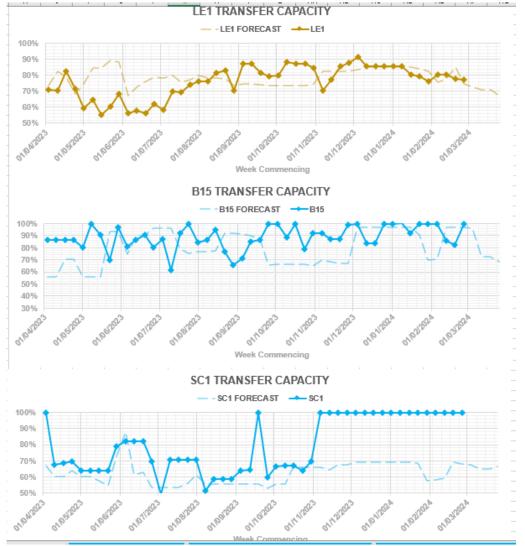
Transparency | Network Congestion



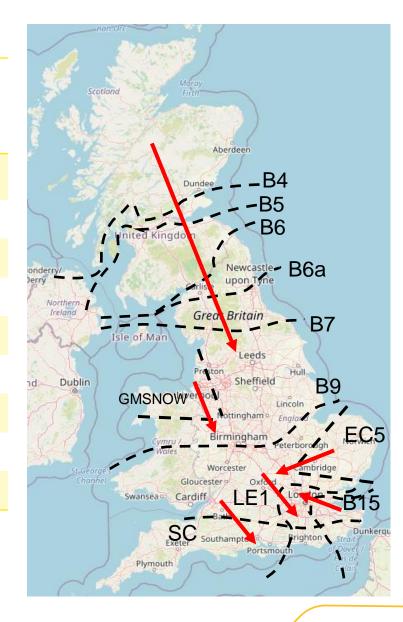
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Transparency | Network Congestion



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B7	8325	100%
GMSNOW	4700	75%
EC5	5000	47%
LE1	8500	78%
B15	7500	100%
SC	7300	100%



Previously asked questions

Q: RE OfGem's recent announcement of an investigation in to wind farms 'overstating' their FPN. Is NG's view of network constraints based on gen submitted FPNs which .: feed into INDGEN/Zonal INDGEN or does NG substitute in its own forecasts for the Wind BMUs? If not the latter, why not?

A: We are not going to comment on Ofgem's investigation, however we have previously come to the OTF explaining the importance of PN accuracy and our current view of errors seen.

The view used for real time network constraint management and developing system operating plans is typically based upon the ESO forecast of wind units rather than the FPNs as this has historically been more reliable. Control engineers can select to use an FPN instead of a forecast for the expected output of the unit. Operational metering is used to understand when a constraint limit needs to be managed via active curtailment. Therefore, this data does not directly increase the volume of curtailment actions taken but does influence forward views as to energy availability.

With respect to the input to INDGEN we are still reviewing this data flow.

We do use the 14 day forecasts. and refine this as we get closer to real time. As we are trying to test the limit of a constraint it's rare that we will have the wind exactly as per the forecast as this won't always be 'the limit'. Having said this, if we have a unique profile of wind, then this can influence system flows and this is information we can get from the forecasts. In summary we use the forecasts as a guide, but then use our judgement to create scenarios that allow us to find the limit for a particular part of the network.

Previously asked questions

Q: Why don't we have a quick break and then you can answer more on the day?

A: Past experience has shown that taking a break does not result in us being able to answer many more questions live. The unanswered questions are generally complex and require more than 5 additional minutes to agree a complete answer.

We recognise everyone's time is valuable and we have therefore made the decision to take away unanswered questions when we reach a natural pause and bring them back with answers the following week. We always leave Slido open until 12:00 to allow

Q: Will the change from 15 min rule to 30 min rule allow batteries to compete with actions on pumped storage? Currently pumped storage actions are short in duration, often less than 15mins, but they are used considerably more than lower priced battery assets, I thought OBP would have stopped this.

A: This change will allow for instructions longer than 15 minutes to be issued to battery providers. Actions taken by the control room will always depend on system conditions, not just based on merit and is technology agnostic. OBP utilisation has increased significantly since it's launch for both Battery and Small BMU zones. We expect this trend to continue as we progress our plan to enhance utilisation of storage assets in our balancing activities. You can find more info from our recent webinar at: https://www.nationalgrideso.com/news/enhancing-use-storage-assets-our-balancing-activities

Q: The B6 Constraint Management Intertrip Scheme has been active since October 2023. Is there any data that NGESO can release related to the utilisation of the scheme, arming hours, impact on overall constraint management costs etc?

A: We are working to publish historical data on the constraint intertrip service and make this available by the end of March on the Data Portal. This data will then be updated monthly with any new data on the use of the service. We will provide an update at a future OTF when this data set is available.

Previously asked questions

Q: If Ofgem's suggestion actually told gencos about constraints no one would get done under TCLC. NGESO should want to enhance transparency. Please reconsider.

A: Thank you for the feedback. We recognise the ask for more transparency. We continually review the data we publish under transparency and have regular discussions with stakeholders including DESNZ and Ofgem.

Day ahead constraint forecasts are however available and are published on the ESO data portal:

https://www.nationalgrideso.com/data-portal/day-ahead-constraint-flows-and-limits

Q: EAC is far from optimizing market welfare. It can't distinguish between BMU/non-BMU, and clearing 1 MW of one vs another at the same price can be much cheaper for the ESO due to ABSVD rules. This is currently favoring non-BMUs and adds up to customers' bills. What's blocking harmonizing ABSVD rules?

A: To harmonise these rules requires system and process changes at ESO. These are complex due to the nature of non-BM ABSVD and we will provide an update as soon as we are able to on our progress.

Q: In the decision to move to lower levels of inertia have NGESO considered the unexpected tripping of the HVDC link and 260 MW of embedded generation during the event at 13:10 on 22nd Dec. Is there a plan to provide a detailed technical report on this event? Thanks for the pervious OTF summary.

A: We've provided an event walk through in the previous OTF, currently there is no plan to publish a detailed technical report.

Webinar recording on 22nd Dec events can be found here: https://players.brightcove.net/867903724001/default_default/index.html?videoId=6345049143112

Slido comment 21/02: Moyle is literally generating away from it's PN as we speak

Q: The response today about the 'occasional' data issues at the Irish interconnectors was 'interesting'. Literally as you were speaking Moyle began to deviate from its PN and it continues to do so over an hour later. In the past week there have been six instances alone including a period of 12 hours. This has been occurring since the beginning of the ISEM market 5.5 YEARS AGO. Your response was basically word-for-word the same as a response to this exact question I asked approximately 10 months ago. I have periodically asked this question since 2019, but mostly have given up since as no action has been taken. Any other generator in the market would have lost their generation license by this point and/or been cited under REMIT. The ESO's response to this issue is apathetic. What concrete actions have been taken to resolve this?

Q: Further to Moyle / East-West IC lack of PN submission. There was no PN submitted between 23:00 24/02 and 10:00 26/02. Also noting that the PN appears at 10am... which suggests they have the ability to send PNs at times not specifically linked to IDA1/IDA2 clearing periods. What actions are being taken on this issue?

A: We do not comment on specific users on the network. We monitor the dynamic parameters provided by all system users. Where we see issues, we raise these with the system user and/or the relevant authority.

Q: When OBP is being used to dispatch the BM, skips are visibly much lower and storage assets are being used much more efficiently (kudos to the development team). For some reason, since the EDT/EDL failure last Friday, OBP is being used a lot less to dispatch, and there is a much, much higher number of skips.

Can you explain why OBP is not being used consistently to dispatch, and what the timeline is for it to be fully used? This is creating market uncertainty, increasing cost for customers, and proving how inefficient the Control Room is at dispatching the BM.

A: Since OBP (Open Balancing Platform) go-live we have seen a significant increase in the number of instructions sent in both the Battery Zone and Small BMU Zone, thanks for the acknowledgment to the team. Figures relating this and our delivery roadmap can be found here:

https://www.nationalgrideso.com/news/enhancing-use-storage-assets-our-balancing-activities

OBP relies upon having accurate and up-to-date data to operate effectively. During the EDT issues on Saturday morning and for a short period afterwards, the data supplied to OBP needed to be cross checked to ensure it was up to date before reliable instructions could be issued. During the day in merit bids were instructed through OBP, in response to system conditions.

OBP is a new tool in the control room and alongside this we have working through a plan to enhance utilisation of energy storage in our balancing activities. As part of this plan, we are taking steps in introducing a temporary additional resource in Control Room to support dispatching using OBP.

Our Control Room ensures that our power system is balanced in the most economical and secure way. We will continue to review and deliver enhancements to our dispatching processes as OBP is further developed.

Q: BM IT systems (EDT) failed 23rd Feb for 2hrs 45 min. How will parties left out of balance by inability to submit PN's to balance pre-traded volumes be compensated? What are ESO doing to consider an alternative in case of a similar event? Surely an ESO IT system failure shouldn't adversely impact market participants?

A: There are provisions within the Balancing and Settlements Codes (BSC) to minimise the impacts of this type of data system outage. Details for these processes are made available to all Balancing Mechanism (BM) participants.

To summarise more detailed guidance, affected parties can arrange for data to be updated as follows:

- In real time: using the appropriate fallback process to contact the Control Room
- Within two working days: by emailing details to: bm.liaisonandcompliance@nationalgrideso.com to request amendment under BSCP18
- After two working days: by raising a compensation claim under <u>BSC Section Q</u> (see Paragraph 8 Compensation for Outages) with the Elexon BSC Service Desk at <u>bscservicedesk@cgi.com</u> or call 0370 010 6950.

BSCP18 = Balancing and Settlements Code Process 18

Q: There have been multiple BMRS issues recently. It feels like almost one a day at the moment, including extended periods where there has been no ability to send PNs or modify BOD data. What is happening here? Is there a mandated service availability level that you must abide by?

A: BMRS (Balancing Mechanism Reporting Service) is the website where Elexon publish the data outputs from the Balancing Mechanism. Issues with data appearing on BMRS can be caused by issues with ESO data transfer as well as issues with Elexon's central systems.

PNs (Physical Notifications) and BODs (Bid Offer Data) are submitted to the ESO via EDT or EDL. These and other Balancing Mechanism systems have a record of at least 99.9% availability over recent years. However there are occasional planned outages for updates to existing systems/tools and for the implementation of new tools such as OBP (the Open Balancing Platform). There have also been issues with systems running more slowly which has a knock on impact to BMRS.

The ESO Control Room relies upon timely receipt of all data submissions to support effective and efficient decision making and our support teams are available 24/7 to identify and resolve any issues that may arise.

Q: If a unit is accepted for and delivering balancing reserve, especially upward, is that unit exempt from (or deemed to be delivering) its Capacity Mechanism obligation in the circumstance that a Cap Mech event is called, as long as it's MEL complies?

A: Balancing Reserve (BR) is being added to the list of Relevant Balancing Services (RBS) through our annual consultation process. We have recently submitted the RBS report to Ofgem and expect a decision shortly. Including BR in the list of Relevant Balancing Services will mean that units who are contracted for reserve will have the reserve capacity removed from their expected CM delivery and therefore not be penalised. https://www.emrdeliverybody.com/CM/Guidance.aspx

Outstanding Questions

Q: A large amount of large BMUs were instructed on to cover the evening peak on 20th Feb, however a number of assets were skipped in the process by a fairly large margin. 2 units failed to start early, but weren't replaced. Was the large amount taken in order to cover for some of them failing?

Q: In the Local Constraints Market, ESO is looking Day Ahead Bids which are cost-effective compared to the BM Bid prices. Looking the Bid acceptances from Wind farms in the Scottish region, post 11 December (date when LCM became an operational tool in the control room), the average prices range from £95-£105/MWh. But ESO has been rejecting generation turn down bids in the LCM in the range of £90/MWh. Why is this the case if cost effectiveness is important? Is the ESO expectation of bid prices (based on the price points shared in October 2023) in the LCM unreasonably low?

Q: Since the Local Constraints Market has been live, the ESO has been rejecting bids in the LCM in the range of £85-£90/MWh at Day Ahead but accepting bids from generators in the BM at £95-105/MWh. Why is this the case?

Reminder about answering questions at the ESO OTF

- Questions from unidentified parties will not be answered live. If you have reasons to remain anonymous to the wider forum please use the advance question or email options. Details in the appendix to the pack.
- Questions will be answered in the upvoted order whenever possible. We will take questions from further down the list when: the answer is not ready; we need to take the question away or the topic is outside of the scope of the OTF.
- Sli.do will remain open until 12:00, even when the call closes earlier, to provide the maximum opportunity for you to ask questions.
- All questions will be recorded and published All questions asked through Sli.do will be recorded and published, with answers, in the Operational Transparency Forum Q&A on the webpage: https://www.nationalgrideso.com/what-we-do/electricity-national-control-centre/operational-transparency-forum
- Takeaway questions these questions will be included in the pack for the next OTF, we may ask you to contact us by
 email in order to clarify or confirm details for the question.
- Out of scope questions will be forwarded to the appropriate ESO expert or team for a direct response. We may ask
 you to contact us by email to ensure we have the correct contact details for the response. These questions will not be
 managed through the OTF, and we are unable to forward questions without correct contact details. Information about
 the OTF purpose and scope can be found in the appendix of this slide pack

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Audience Q&A Session

(i) Start presenting to display the audience questions on this slide.

Feedback

Please remember to use the feedback poll in sli.do after the event.

We welcome feedback to understand what we are doing well and how we can improve the event for the future.

If you have any questions after the event, please contact the following email address: box.NC.Customer@nationalgrideso.com



Purpose and scope of the ESO Operational Transparency Forum

Purpose

The Operational Transparency Forum runs once a week to provide updated information on and insight into the operational challenges faced by the control room in the recent past (1-2 weeks) and short term future (1-2 weeks). The OTF will also signpost other ESO events, provide deep dives into focus topics, and allow industry to ask questions.

Scope

Aligns with purpose, see examples below:

In Scope of OTF

Material presented i.e.: regular content, deep dives, focus topics

ESO operational approach & challenges

ESO published data

Out of Scope of OTF

Data owned and/or published by other parties

e.g.: BMRS is published by Elexon

Processes including consultations operated by other

parties e.g.: Elexon, Ofgem, DESNZ

Data owned by other parties

Details of ESO Control Room actions & decision making

Activities & operations of particular market participants

ESO policy & strategic decision making

Formal consultations e.g.: Code Changes, Business

Planning, Market development

Managing questions at the ESO Operational Transparency Forum

- OTF participants can ask questions in the following ways:
 - Live via Sli.do code #OTF
 - In advance (before 12:00 on Monday) at https://forms.office.com/r/k0AEfKnai3
 - At any time to box.NC.Customer@nationalgrideso.com
- All questions asked through Sli.do will be recorded and published, with answers, in the Operational Transparency Forum Q&A on the webpage: <u>Operational Transparency Forum | ESO (nationalgrideso.com)</u>
- Advance questions will be included, with answers, in the slide pack for the next OTF and published in the OTF Q&A as above.
- **Email questions** which specifically request inclusion in the OTF will be treated as Advance questions, otherwise we will only reply direct to the sender.
- Takeaway questions we may ask you to contact us by email in order to clarify or confirm details for the question.
- Out of scope questions will be forwarded to the appropriate ESO expert or team for a direct response. We may ask you to contact us by email to ensure we have the correct contact details for the response. These questions will not be managed through the OTF, and we are unable to forward questions without correct contact details. Information about the OTF purpose and scope can be found in the appendix of this slide pack