

Webinar May 24th 2024

Scheduling and Dispatch Case for Change – Webinar Q&A Summary

1. How does the consequence of these PN changes compare with the overall benefit delivered by the ICs?

This isn't a cost-benefit study of interconnection. The chart is showing that significant I/C capacity creates some uncertainty for dispatch decision-making but also indicates they are a valuable source of flexibility.

2. Is the issue of transparency down to ESO explanation for actions rather than the nature of the market arrangements?

This is something we are certainly looking into, and OBP will look to improve. We consider the heterogenous nature of the BM and that it is being used to make scheduling decisions prevents clear identification of what service a particular dispatch decision is being made for.

3. I would not expect the BM price and the say 4 hours out price to be the same. Are you suggesting they should be?

Yes, we would expect there to be a difference; the question being posed is around the interplay between inter-temporal constraints, ESO actions pre-Gate Closure, and the market continuing to trade, and the role that plays in re-dispatch efficiency.

4. To enable the increased penetration of Wind, PV and Batteries with Grid Forming Inverters (for Stability). Will this require changes to ESO services procurement methods as well as DC DM and DR?

We've developed and are continuing to evolve our Pathfinder projects and Ancillary Services in areas like voltage, stability, and inertia to address these challenges.

5. How can you quantify and prioritise the issues described? And evaluate the downside of just living with a problem vs the direct and indirect cost of change to deal with it?

This isn't a precise quantitative exercise: there are too many complexities in real dispatch (including imperfect information) to be able to reflect it accurately in a model. In terms of evaluation, dispatch options effectiveness will be evaluated against our own objectives and the REMA assessment criteria. We recognise that a robust counterfactual is required in our assessment and so all reforms options will be evaluated on its benefits against this counterfactual.

6. Isn't the purpose of the TCLC to prevent gaming under constraint conditions? Providing more information on real time constraints will reduce loopholes and mean those who you believe are "gaming" with this increased data would be subject to regulatory fines.

We agree that new information should be provided to the market to enable better decisions, such as visibility of the distribution network. We already publish some key system information such as day-ahead constraint flows and limits. We believe that, even with the TCLC, without incentives/ex ante market power mitigation, publishing real-time constraint data risks further exacerbating inc-dec gaming.

7. You need to recognise most generators have firm access rights. That underpins their business models.

Access rights reform within REMA is being led by Ofgem, however, in our evaluation we are working closely with both Ofgem and DESNZ to ensure particular consideration is given to how dispatch reform options cohere with other reforms being considered in REMA, such as access rights and renewable support mechanisms.