

Ofgem
10 South Colonnade
Canary Wharf
London
E14 4PU

Kayte.O'Neill@nationalgrid.com
www.nationalgrideso.com

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Ofgem Forward Work Programme Consultation 2019-2021

Dear Sir/Madam,

We welcome the opportunity to respond to your Forward Work Programme Consultation.

National Grid Electricity System Operator (NGESO) becomes a legally separate entity on 1 April 2019. As the ESO we use our unique perspective and independent position to facilitate market based solutions which deliver value for consumers.

We are pleased to take this opportunity to respond to your Forward Work Programme consultation in our capacity as the GB Electricity System Operator.

The four key priorities you set out in your Forward Work Programme cover key industry issues. The areas particularly relevant for us as the ESO are Enabling Future Markets and System Arrangements, and Network Preparedness and Performance.

Having recently published our own [2019-21 Forward Plan](#), we can see we are aligned in focus on delivering benefit for consumers in terms of lower bills; environmental impact; safety, security and reliability; and service quality.

Key Areas where we can see common themes and activity between both our organisations' forward plans are in ensuring networks, markets, codes, systems and processes are fit for the future and able to deliver for consumers and stakeholders.

We have set out where our Forward Plan activity corresponds to yours in detail in Appendix 1.

Looking at commonality across our activities, we agree that your Forward Work Programme should achieve your aims of protecting consumers and delivering benefit for them, through a period of rapid and significant change to the GB electricity system.

We look forward to working with you to achieve our common goals of ensuring electricity is delivered safely, securely, and economically to GB consumers.

We welcome the opportunity to discuss this response further. Should you require any further information or would like clarity on any of the points outlined in this paper then please contact Stephen McAllister in the first instance at Stephen.McAllister@nationalgrid.com .

Yours sincerely

[via email]

Kayte O'Neill
Head of Strategy and Regulation

Appendix 1

Mapping Ofgem Forward Work Programme to ESO Forward Plan

Enabling future markets and system arrangements

Ofgem Activity	ESO Forward Plan
Implementing new systems and rules for a smarter, more flexible energy system	Ensuring that the rules and processes for procuring balancing services are simple and transparent to maximise competition.
Electricity settlement reform	Improving settlement through: better data to support greater participation in the Balancing Mechanism (BM); supporting industry work on accurate settlement 'behind the meter'; integrating 'power available signals' from intermittent generation into settlement systems.
Working with innovators and stakeholders to develop sustainable energy solutions and systems for future consumers	Delivering innovation projects, for example reactive power market for Distributed Energy Resources (DER) and new approaches to system restoration/black start.
Energy Data Taskforce (EDT)	Linking to EDT through Energy Networks Association (ENA) Open Networks project.
Joint review of codes and code governance	Publish thought piece on potential future arrangements of the Energy Codes as part of the wider Energy Codes review programme.
Decarbonising energy and decentralising energy	Lead role in the ENA Open Networks project.
Developing improved network access, charging, system operation and wholesale market arrangements to enable efficient future energy markets	Lead role in the ENA Open Networks project, Charging Futures, and other stakeholder-led projects.
System stability and security	We have a department dedicated to 'Future Markets'. Working with Government, the regulator and other relevant bodies to ensure we can operate effectively after EU exit.
Capacity Mechanism	As the EMR delivery body we aim to ensure there is adequate generation provision to meet demand at the right price.
Black Start	We will develop new approaches to system restoration, working with industry to understand how different technologies and providers could provide black start services, and develop a market approach for procurement.

Network preparedness and performance

Ofgem Activity	ESO Forward Plan
Development of competition models for construction, financing and operation of onshore electricity transmission networks	Through our NOA process, aim to promote competition in network development through considering all viable options, and performing robust independent analysis to determine the economically and technically optimum solutions.
Consult on electricity network reform for charging arrangements.	We will facilitate reform across the industry through our work within the Charging Futures framework.
Development of RIIO-2 and ESO price control	Through the RIIO-2 process, we will define our role and deliver against our business plan.
New Interconnectors	We analyse future interconnectors as part of our NOA process, and also consider them in our operability plans.