



Energy for
generations

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ESO Regulation
Ofgem
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29/10/2020

To ESO Regulation

RE: Consultation on ESO Roles Guidance

Sent via email to ESOperformance@ofgem.gov.uk

Set out in this letter is ESB's response to Ofgem's **Consultation on ESO Roles Guidance** dated 1 October 2020 (the "Consultation Paper").

By way of background to this response, below is a short description of the ESB Group. ESB is Ireland's foremost energy company, with around 7,000 employees. Established in 1927 by the Irish Government, and remaining 95% state owned, ESB created the first fully integrated electricity system in the world. ESB owns the transmission and distribution systems in Ireland and Northern Ireland. ESB has been present in Great Britain since market liberalisation and for 25 years has powered homes and businesses across the country, investing around £2 billion. ESB was one of the first IPPs in the UK with our investment in Corby Power Station (350 MW) in the early 1990's.

ESB is supporting Britain's transition to a low carbon future by investing in flexible and renewable generation assets, including combined cycle gas turbine, wind and biomass technologies. ESB opened Carrington Power Station (880MW) one of the most flexible and efficient plants in the market. This was the first large scale gas-fired station to come on stream in Great Britain since 2013. Carrington is owned by ESB's 100% subsidiary Carrington Power Limited. ESB also owns 125MW of onshore wind generation capacity, with over 400 MW in the development pipeline in Britain, a 7MW battery and recently invested in the 353 MW Galloper offshore wind project. In addition, ESB's 40 MW waste wood-fired plant at Tilbury in Essex started generating recently as well.

ESB is a pioneer in electric mobility and is currently working in partnership with Transport for London to install, operate, maintain and commercialise charging infrastructure for the London taxi fleet. In 2017 ESB entered the GB energy supply market as ESB Energy.

Consultation response

ESB Generation and Trading (ESB GT) welcomes Ofgem's Consultation on ESO Roles Guidance. We are supportive of the additional transparency it provides in making clear what Ofgem's interpretation of the roles of the ESO are.

The guidance details what is considered to be 'meeting expectations' and what is considered as 'exceeding expectation'. While ESO performance improvement and development is positive, work towards stretch targets should never be to the detriment of fulfilling the fundamental roles of the ESO and this should be closely monitored.



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There is a need to consider the transition to “meets expectations” from what might previously be seen as “exceeds expectations” as the ESO role and markets evolve. Specifically for balancing services, we question whether competitive procurement in “most” balancing services is an appropriate measure for the ESO to meet expectations, both in terms of wording and objective; competitive tender across all balancing services should be seen as a fundamental aim in today’s market, not a stretch target.

If you have any questions about this consultation response, please do not hesitate to get in touch with kate.dooley@esb.ie and kirsty.ingham@esb.ie.