

# **System Flexibility Workshop 2 - 16<sup>th</sup> November 2009**

## **Ofgem, Millbank, London**

### **National Grid NTS Meeting Notes**

#### **Introduction**

The purpose of this note is to provide National Grid NTS' view of the main points of discussion held at the second industry System Flexibility workshop and summarise the feedback received.

Any further feedback should be directed to Phil Hobbins of National Grid NTS – [philip.hobbins@uk.ngrid.com](mailto:philip.hobbins@uk.ngrid.com) , tel: 01926 653432.

#### **System Flexibility Definition**

- It was noted that the definition was focused on within day issues whereas many of the proposed indicators were associated with day on day changes. NG NTS agreed that the definition should be broadened accordingly.

#### **Influences on Key Drivers**

Two additional influences on the key drivers of system flexibility were proposed:

- Reform of the electricity market and consequences for the gas system (electricity market design could have a role in addressing the perceived future risks); and
- Effect of decommissioning of sections of the NTS for CCS purposes. Conceptually, this was accepted at the meeting, however, NG NTS' current proposal to reuse assets for CCS is not expected to impact on the present allocated volumes of flexibility. In addition, NG NTS is not proposing to alter any entry capacity baselines in order to accommodate CCS.

#### **Supply indicators**

- It was noted that system flexibility was described as manifesting on a locational basis but NG NTS proposed only one locational supply indicator (leading indicator 1 – 'Rate of change day on day from Northern and Southern ASEPs'). Whether a North-South split was the most relevant was questioned. Also it was suggested that consideration should be given

to locational analysis via use of zones or where flexibility issues were likely to occur (eg. where power stations are clustered);

- The validity of entry capacity buybacks and scalebacks as indicators was questioned. NG NTS recognises that these system management actions can be caused by a variety of factors, however, rapidly changing supply and demand conditions within and across days would add to the challenges faced by NG NTS in moving gas away from delivery points which may manifest as capacity buybacks and or scalebacks, hence we propose to continue with these indicators;
- NG NTS noted that further work was required to generate the within day supply indicators highlighted in the presentation material (leading supply indicators 4 and 5 – changes in supply within day vs forecast and actual demand, correlation of DFNs to supply flows);
- A request was made to show supply volatility in volume terms as well as a percentage.

### **Demand Indicators**

- It was suggested to include a locational indicator for within day linepack change in addition to the national picture presented;
- Within day demand variations for all sectors was requested in addition to the power generation and storage sectors presented (ie. DN offtakes, interconnectors, industrials to be included);
- The inclusion of volumes and costs of Residual Balancing actions was recommended in addition to frequency;
- Three additional demand indicators were suggested:
  - 1) forecast wind output versus actual,
  - 2) monitor usage of the within day flow product to be introduced by Modification 0195AV from 2012;
  - 3) indicator monitoring pressures at key locations on the system
- It was suggested to overlay the graph entitled 'maximum within day range of hourly exit flows for power stations per month' onto the 2020 forecast;
- It was suggested that NG NTS should factor in any work done with the Met Office on accuracy of wind forecasts and the impacts on lead times;
- There was some confusion about precisely what some graphs were showing, therefore written definitions would be helpful.

## **Way Forward**

- NG NTS is to consider the feedback received and further develop the indicators prior to monitoring commencing. NG NTS expects to present its final proposals on indicators to the February 2010 Transmission Workstream.
- Thereafter, NG NTS intends to periodically report on the indicators at the regular Operational Forum. A request was made to inform the Transmission Workstream attendees prior to such reporting being conducted.
- A future Ofgem consultation on system flexibility is expected.