

# The Future Electricity Market

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## Three main drivers for change

### Maintaining operability

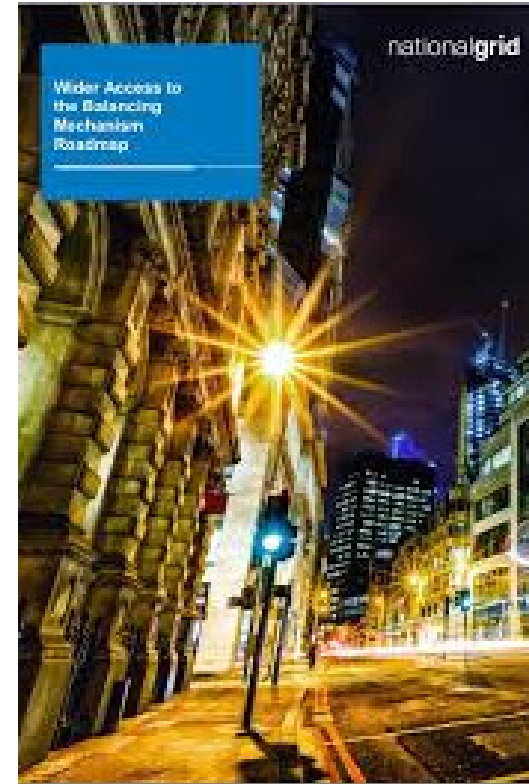
- Distributed generation capacity could reach 67GW by 2050
- Upwards & downwards variable reserve requirements may double by 2022

### Consumer value

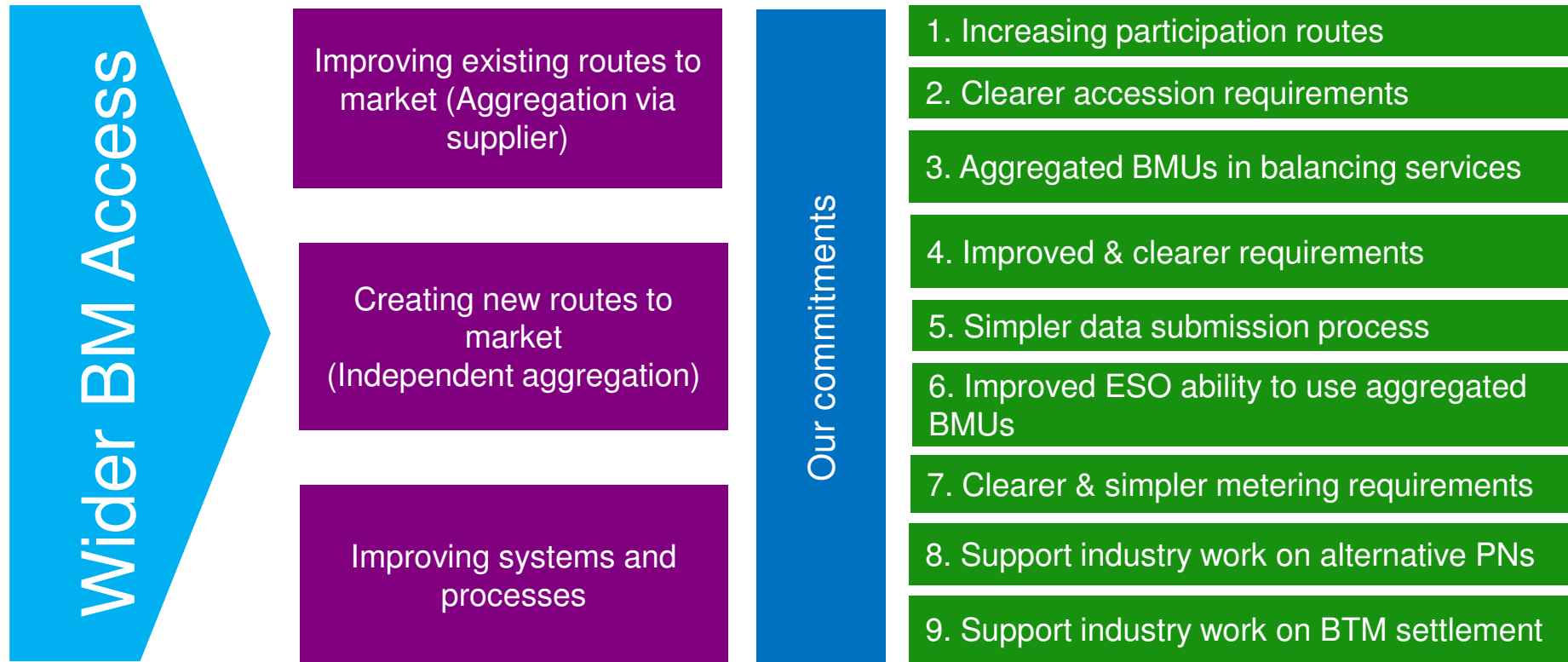
- Third party studies report benefits of wider participation in BM of £110-500m pa

### Removing barriers to entry

- Addressing the link between equal treatment and equal access



# How are we going to get there?



## Network Access

Ofgem proposing narrow-scope review of Transmission arrangements, but wide-ranging distribution-level reform

### Key areas for review

- **Assign capacity/Access;**
- **Charges reflect forward looking costs**
- **Consider locational signals;**
- **Re-assess the connections boundary**

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# Charging Developments

“Targeted Charging Review”  
launched 2017 – focuses on  
‘residual’ charging.

Significant number of modifications  
in progress

BSUoS to be reviewed separately –  
ESO-led?

ESO working to maintain compliance  
with €0 - 2.50/MWh EU range





## There's a lot of change on the horizon

- Large-scale changes in the BM will provide more opportunity;
- Access to the Distribution and Transmission networks is under review;
- How, when and by whom the system is used will drive charging reform;
- We are committed to working with you, and all industry, to reach the right outcomes for consumers





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