

2018-19 ESO Incentive Recovery

National Grid BSUoS Charging Circular

25th May 2018

From the 1st May 2018 settlement day, BSUoS charges will include an incentive recovery value of £44,776.12 per day in the NET term, this value is for the 2018/19 ESO incentive scheme.

With 335 days of the 2018/19 BSUoS scheme year remaining and a final day incentive recovery of £44,775.92, this will mean an ESO incentive recovery of exactly £15m for the 2018/19 year.

Key Info.

As outlined in the [previous communication](#) (pdf), and during [our webinar](#) (pdf), we recognise the need to limit volatility of the BSUoS charge; as such it is appropriate to make an initial estimate of performance taking in to account information from stakeholders and Ofgem at this point. We have made an initial estimate of +£15million, which will be included in the calculation of the BSUoS charge.

This estimate reflects positive feedback from stakeholders and Ofgem on the ambition and scope of our 2018/19 Forward Plan of work. We are confident that we have created a plan that will generate significant added value for consumers, though there is scope for improvement and we will be responsive to stakeholder views throughout the year on where we can add the most value.

We will review this estimate in October 2018, when the performance panel provide a view of ESO performance to date. In addition, we continue to work closely with Ofgem and will engage stakeholders in due course with regards to exploring options to allow us to minimise any impact on post-year reconciliation.

Additional Info.

As per our previous communication, no incentive amount was recovered for the month of April this year as the value to recover was unknown at that stage, the incentive value has therefore been spread over the 11 months remaining in the scheme year.

The agreed £15m ESO incentive value will be included in future MBSS reports and BSUoS forecasts.

The ESO Forward Plan, Delivery Schedule, Performance metrics Definition and other key documents relating to the ESO incentive can be found at the following link.

<https://www.nationalgrid.com/uk/about-grid/our-role-industry/future-electricity-system-operator>

The ESO Performance Reports are published monthly and the report for April 2018 can be found at the link below.

<https://www.nationalgrid.com/uk/electricity/system-operator-incentives/eso-incentive-performance-and-reporting>

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Further Questions?

If you have any queries regarding this issue please contact the BSUoS team using the details below:

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Tel: 01926 654 613

Website: <http://www.nationalgrid.com/bsuos/>

¹ Please help us keep our records up to date by informing us of any changes in contact details via the email address