

Dear Electricity System Operator

Thank you for inviting the GLA to respond to your draft Forward Plan consultation. I'm delighted to set out below our response on behalf of the Mayor of London:

- 1) The Mayor welcomes the establishment of National Grid's (NG) Electricity System Operator (ESO), recognising its importance in delivering the Mayor's vision for a smart, integrated, decentralised energy system for London.
- 2) The Mayor acknowledges the ESO's forward plan for 2018/19 and is particularly encouraged by the greater collaboration with DNOs to release capacity on the distribution networks, and the commitment to invite non-traditional solutions such as battery storage and smart control solutions to delay or offset network investment needs.
- 3) The 2018/19 actions set out by the ESO align in principle with those proposed in the draft London Environment Strategy (LES) in that they set out how London will work in tandem with the national electricity system to realise its zero-carbon ambition in an affordable way.
- 4) However, the Mayor seeks further clarification in the following areas to inform how he can work with the ESO, UKPN and other actors to ensure London plays its role in a 'least-cost' national electricity system. Londoners need to be able to participate in the ESO's future vision for *"network and market access regardless of business model or where they are connected"*:
  - a) The role of cities: how do ESO recognise the role of cities in helping the ESO achieve its 2018/19 aims and beyond?
    - Strong commitment and ambition has been shown by the London and other metropolitan Mayors to deliver a smart and integrated decarbonised energy system, while cities also offer a significant demand centre to support the System Operator in ensuring a balanced national system.
    - What thoughts do ESO have on engaging with cities to identify and cultivate city level loads to support ESO activities (real-time grid balancing) e.g. Transport for London's (TFL) rollout of electric vehicles (EV)?
  - b) Further elaboration is invited on the role that consumers (Londoners) will play in the Forward Plan, and how, in collaboration with DNO's, the ESO will engage them. To ensure the costs of balancing the system are kept to a minimum, we need all potential market participants to contribute, including Londoners:

- In relation to future flexibility markets, the Forward Plan does not recognise the role of SMEs or domestic level flexibility markets, the role they could play and how the market could be developed. Overcoming these barriers are critical to fully realising the future potential role of cities.
  - ESO note that they expect that new technologies, from smart meters to innovative forms of electricity storage, could offer new opportunities for large and small consumers to help balance the system. However, there is insufficient detail on how the consumer will be engaged, including vulnerable groups including the digitally-excluded and fuel-poor.
- c) Mayoral dialogue with the ESO: NG is presently represented on the Mayor's Infrastructure High-Level Group (IHLG) by David Wright (Chief Electricity Engineer). Given ESO is being established as a separate legal entity, can ESO confirm whether David will be able to represent the whole of the National Grid group and, more generally, how the Mayor should liaise with NG as both a TO and ESO going forward?