

Joint European Stakeholder Group



Tuesday 18 November 2018
Meeting 36

Agenda

ID	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	National Grid Update: European Network Codes Clean Energy Package	National Grid	10:05 - 11:00
3.	Brexit Update followed by questions	BEIS	11:00 - 11:30
4.	Market European Stakeholder Committee	Steve Wilkin	11:30 - 11:45
5.	Access Rules to accommodate a Brexit No Deal scenario	Vince Hammond (National Grid Ventures) Nick Pittarello (NEMO Link)	11:45 - 12:30
6.	Review of Actions log	Matthew Bent (JESG Technical Secretary)	12:30 - 12:35
7.	Future Meeting Dates & Agenda Items	Matthew Bent (JESG Technical Secretary)	12:35 - 12:40
8.	Stakeholder Representation	Chair	12:40 - 12:45
9.	Any Other Business	All	12:45 - 12:55

1. Welcome & Introductions

Garth Graham (Stand in for Barbara Vest)
Independent Chair

2. National Grid Update

Bernie Dolan (National Grid Electricity System Operator)

Michael Oxenham (National Grid Electricity System Operator)

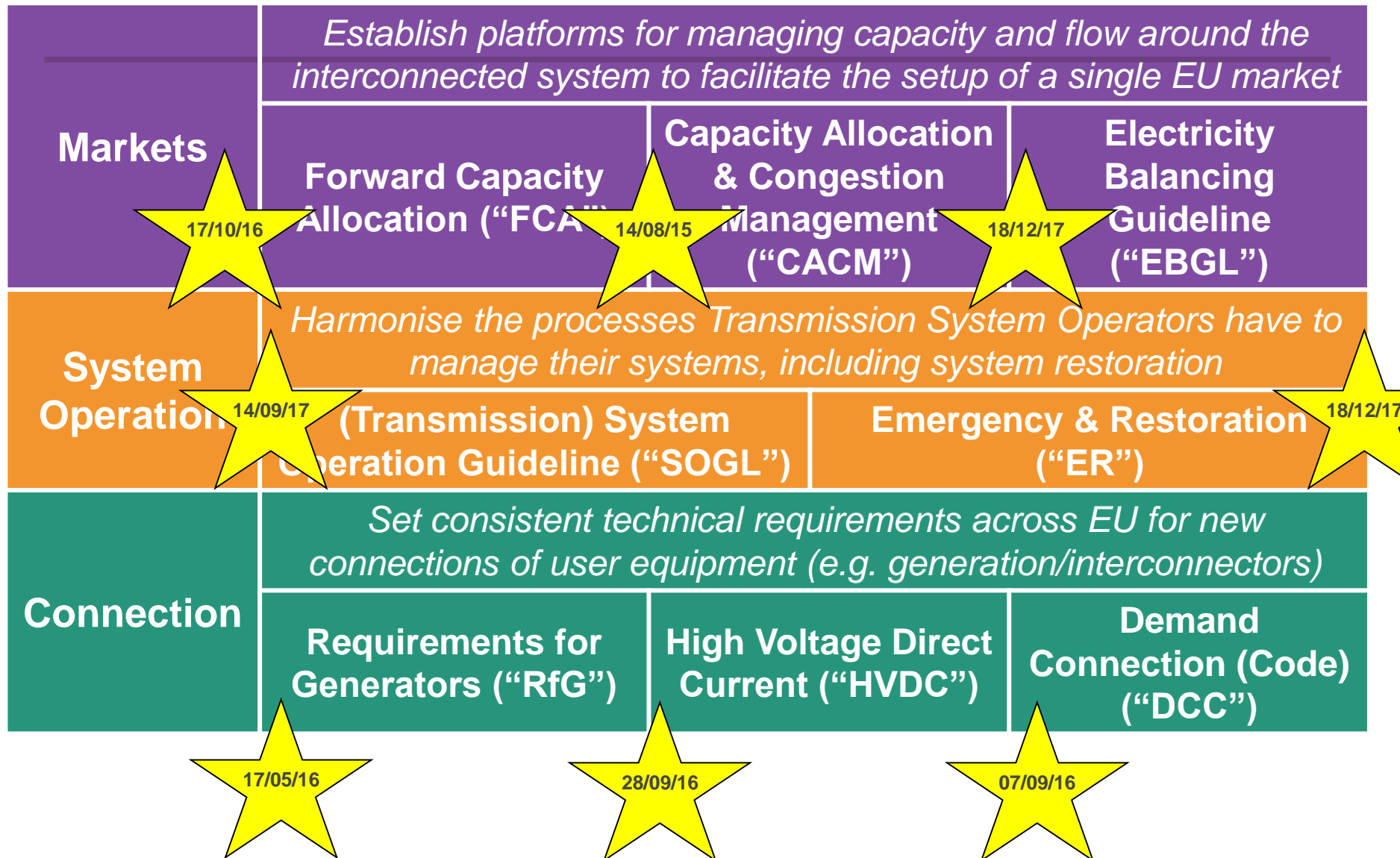
European Network Codes

- JESG 18 December 2018

Bernie Dolan



European network codes



Market Codes



Establish platforms for managing capacity and flow around the interconnected system to facilitate the setup of a single EU market

Markets

**Forward Capacity
Allocation (“FCA”)**

**Capacity Allocation
& Congestion
Management
 (“CACM”)**

**Electricity
Balancing
Guideline
 (“EBGL”)**



CACM Capacity Calculation Methodologies

- *Both the Channel and IU Methodologies have now been approved.*
- Ofgem formally approved the Channel CCM methodology on the 27th November 2019. This means that now both the IU and Channel methodologies have been approved for GB
- The implementation phase of these methodologies is now underway keeping in mind the delays to the central CGM project.

Electricity Balancing Guideline

- **A number of methodologies and implementation frameworks will be submitted to Ofgem on 18th Dec**
 - **MFRR Implementation Framework**
 - Covers high level design principles for the new MARI platform implementing Article 20 of EBGL
 - **aFRR Implementation Framework**
 - Covers high level design principles for the new PICASSO platform implementing Article 21 of EBGL
 - **Activation Proposal**
 - Definition of bids for energy and system purposes (Article 29.3)
 - **Pricing Proposal**
 - Pricing of RR, mFRR, aFRR and Imbalance Netting (Article 30.1 and 30.3)
 - **TSO-TSO Settlement Proposal**
 - Financial flows between TSOs for intended exchanges of energy (Article 50.1)
 - **Imbalance Settlement Harmonisation Proposal**
 - Covers Article 52.2 of EBGL

System Operation



System Operation

Harmonise the processes Transmission System Operators have to manage their systems, including system restoration

**(Transmission) System
Operation Guideline (“SOGL”)**

**Emergency & Restoration
 (“ER”)**

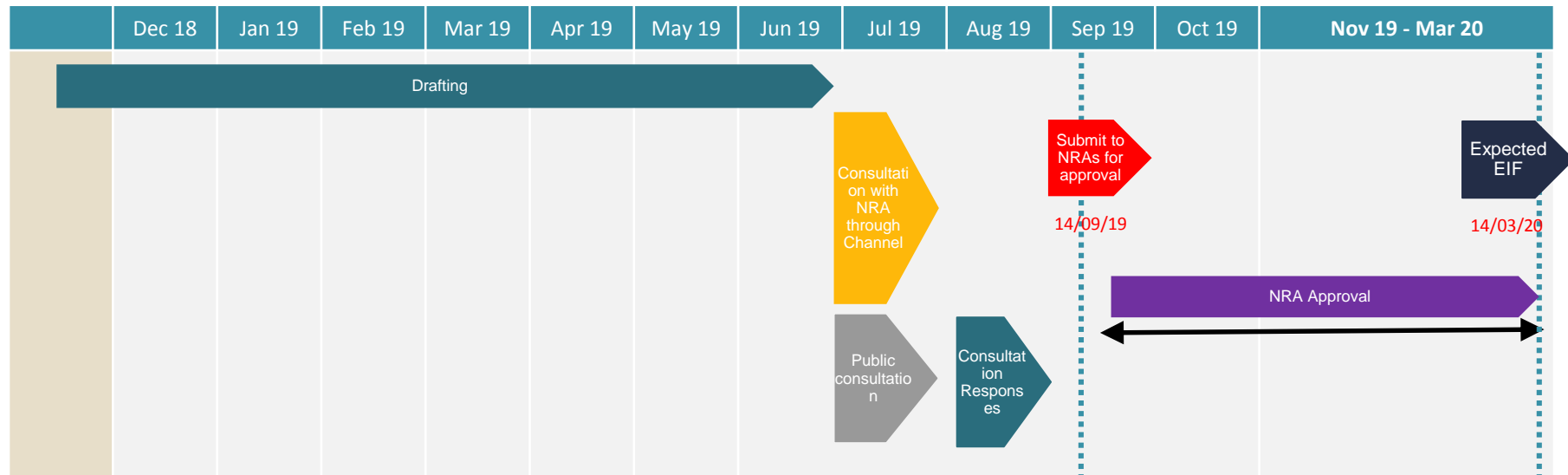


Emergency and Restoration

- **Submissions due to Ofgem 18th December 2018**
 - NGESO will formally be submitting the following proposals:
 - System Restoration Plan
 - System Defence Plan
 - Rules for Market Suspension
 - Terms and Conditions for providers

Upon submitting the proposals to Ofgem the relevant proposals will be made available on our website for Stakeholders to review.

Regional Operational Security Coordination (Updated Milestones) – SOGL Article 76-77



Updated milestones due to expected 3 months delay in CSA methodology approval

Next Steps...



Changes to milestones due to expected delay in the approval of Pan-European coordinated security analysis methodology (SOGL Article 75)



Elexon forward work plan likely to be updated to reflect this delay, planned modification if needed will be raised on 1st of July 2019



Public consultation planned for the beginning of July 2019



Any further changes will be communicated through JESG

Connection Codes



Connection

Set consistent technical requirements across EU for new connections of user equipment (e.g. generation/interconnectors)

**Requirements for
Generators (“RfG”)**

**High Voltage Direct
Current (“HVDC”)**

**Demand
Connection (Code)
 (“DCC”)**



Requirements for Generators (RfG) Timeline

You will follow existing GB arrangements if you either:

Connect to the Transmission Network

17 May
2016

17 May
2018

17 Nov
2018

27 April
2019

Or alternatively:

Conclude contract

Notify NGET of contract

Both actions in this box must be completed to follow existing GB arrangements

Network Code	Applies to which Users?	Deadline to conclude purchase contract	Deadline to notify NGESO	Date of Compliance
Requirements for Generators	Generators	17 May 2018	17 November 2018	27 April 2019
HVDC	High Voltage Transmission connection, e.g. interconnector or DC-connected Power Park Module.	28 September 2018	28 March 2019	8 September 2019
Demand Connection	Transmission-connected demand or any demand equipment that could provide Demand Side Response.	7 September 2018	7 March 2019	18 August 2019

Videos explaining what to do can be found here:

<https://www.nationalgrideso.com/codes/european-network-codes/meetings/connecting-you-connection-codes-video-series>

Clean Energy Package: Update and Discussion

Mike Oxenham

Electricity Market Development
Manager, Future Markets

National Grid ESO



Clean Energy Package Update

- Negotiations between the European Commission, Council and Parliament remain at full speed on the finalisation of the Clean Energy Package.
- The latest market design trilogue took place the 5th December and we understand a further one is planned for 18th December. The Presidency aim is to conclude the negotiations and finalise text by the end of December although we think this could slip into early January.
- National Grid ESO continues to liaise with our key stakeholders (such as BEIS) and we are also involved in and supporting the Clean Energy Package advocacy efforts of ENTSO-E.

We would welcome any views on the Clean Energy Package and we are happy to continue the discussion with you through JESG (or bilaterally) in future

Whilst we feel there have been some positive outcomes for consumers to date through the negotiation process...

Risk Area	Initial text proposal		Current negotiated proposal (Rev 7)
Regional Generation Adequacy	●	→	●
Balancing Reserves, etc	●	→	●
Regional Operational Centres	●	→	●
TSO Asset Ownership and ASs	●	→	●
ISP and GCT Harmonisation	●	→	●
ACER Powers	●	→	●
I/C Congestion Income	●	→	●

...it is important we remain vigilant until the negotiation process concludes!

Do you have any further areas of concern in relation to REV7 of the Clean Energy Package?

3. Brexit

Matthew Ramsden (BEIS) and Elizabeth Culwick (BEIS)

4. Market European Stakeholder Committee

Steve Wilkin (ELEXON)

5. Access Rules to accommodate a Brexit No Deal scenario

Vince Hammond (National Grid Ventures)

Nick Pittarello (NEMO Link)

IFA Access Rules - BREXIT No Deal contingency



- Rules have been developed for consultation, for the No-Deal contingency.
- **Consultation to open in w/c 17/12.**
- Material Changes in Rules proposed as follows:
 - Standard **Day Ahead auction** would become Day Ahead explicit, once SDAC is discount'd on IFA.
 - **UoSI payments** based on the Day Ahead auction price.
 - **Curtailment Compensation** would cease to be based on Day Ahead Market Spread
- Existing Participation Agreements would continue to apply.
- Notice of entry into force may have to be less than the standard 28 days.
- This Rules development process will cease if BREXIT Deal is concluded.



Nemo Link

Introduction to Nemo Link

Nick Pittarello

Customer and Regulatory Manager

Nemo Link Interconnector



High-voltage submarine interconnection
between Belgium and the UK;

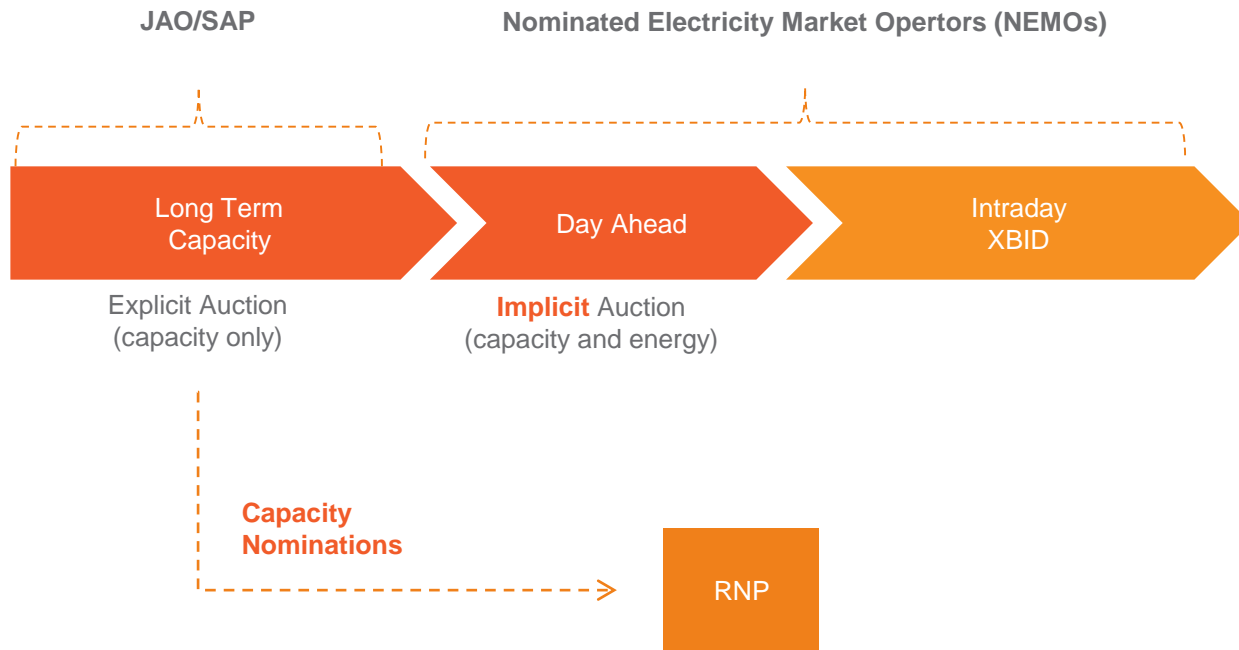


1,000MW capability;

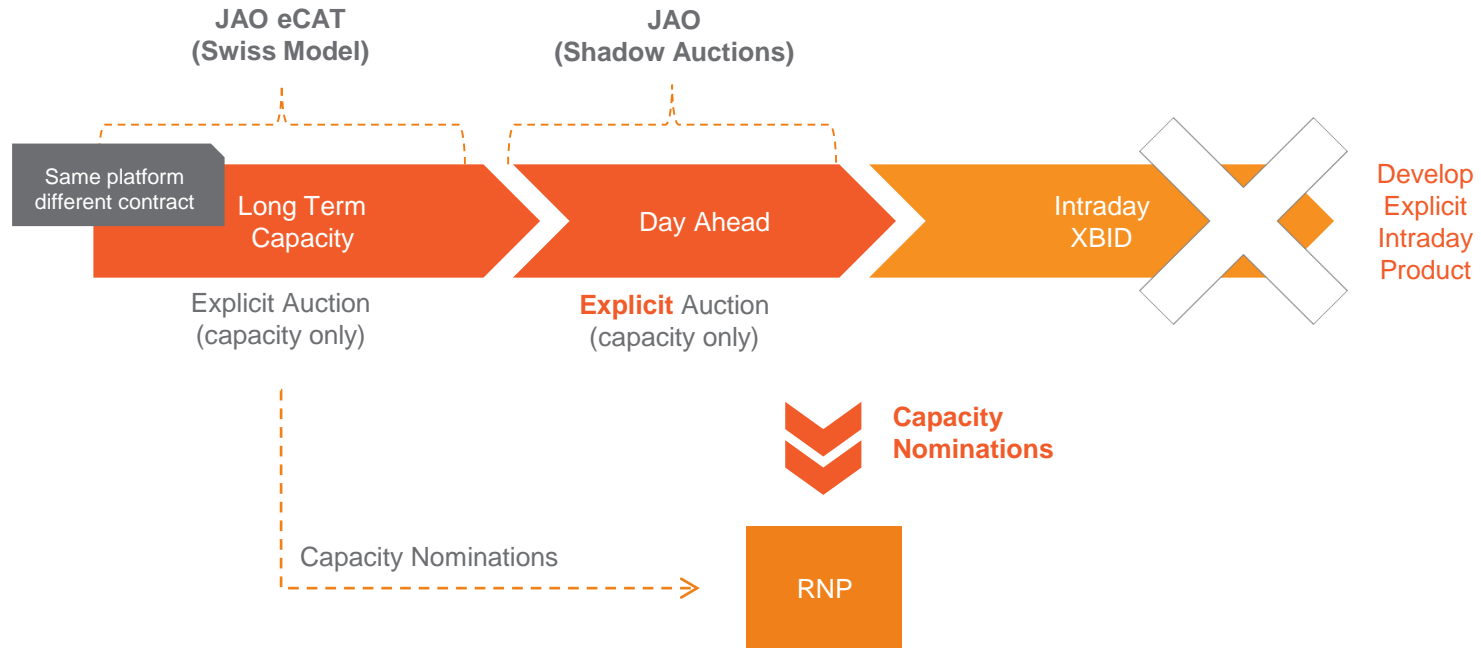


Commissioning underway, commercial go-live Q1 2019.

“Deal” Trading Framework



“No Deal” Trading Framework



Key Differences

Within the Internal Energy Market

Outside Multi-Regional Coupling (MRC)

Product

Implicit Day Ahead Allocation

Explicit Day Ahead Allocation

Platform

Power Exchanges

JAO eCAT platform

Rules

Business as usual: CACM
Fallback: Shadow Allocation Rules

Daily Allocation Rules

Nomination

Business as usual: No nomination needed
Fallback: Day Ahead Nomination Rules

Day Ahead Nomination Rules

Agreements

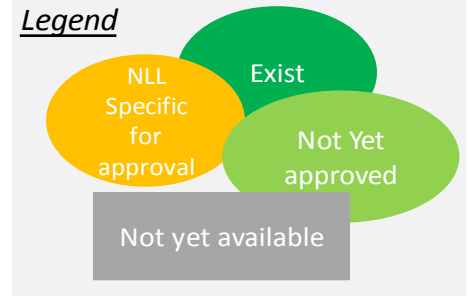
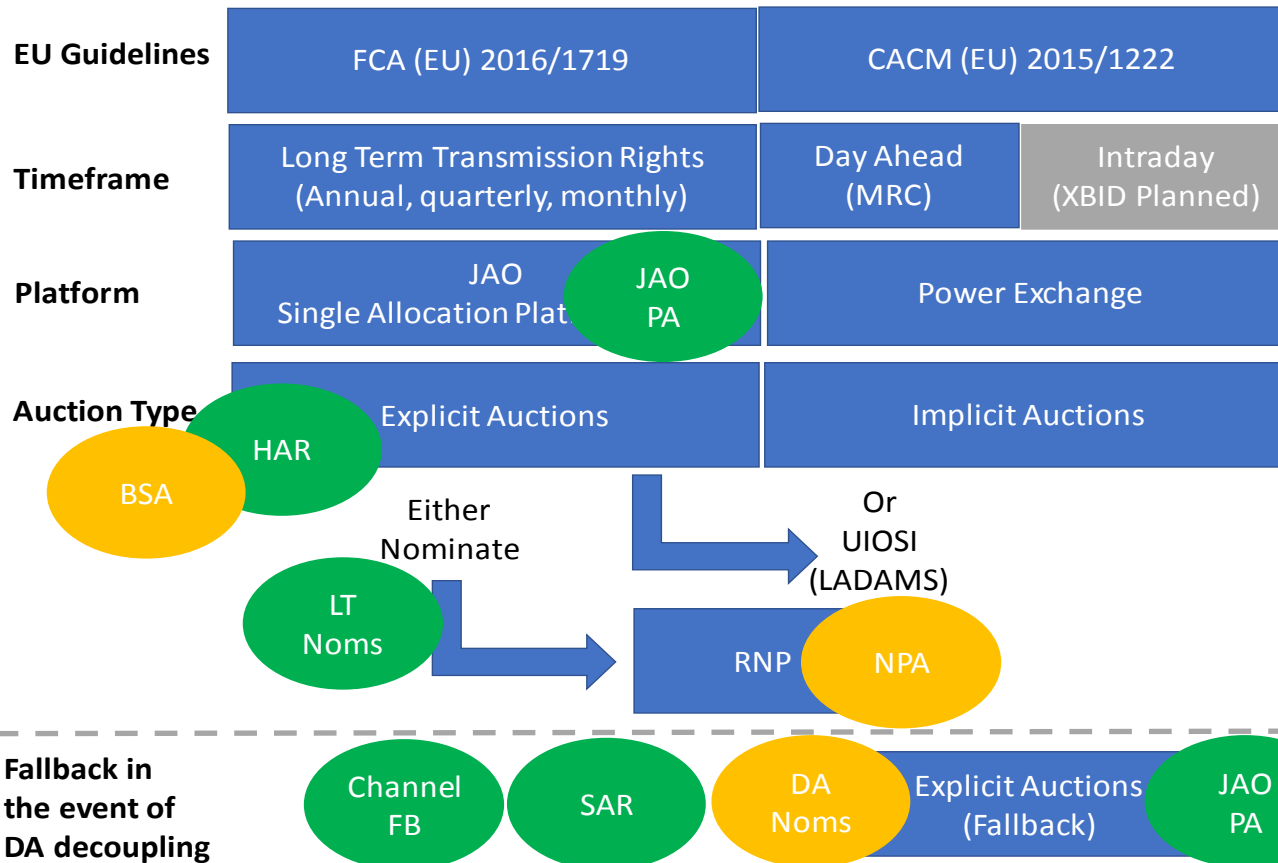
Business as usual: Member of a power exchange
Fallback: JAO PA & NPA

JAO Participation Agreement
Nomination Participation Agreement





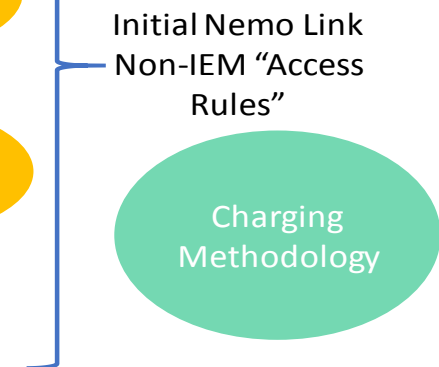
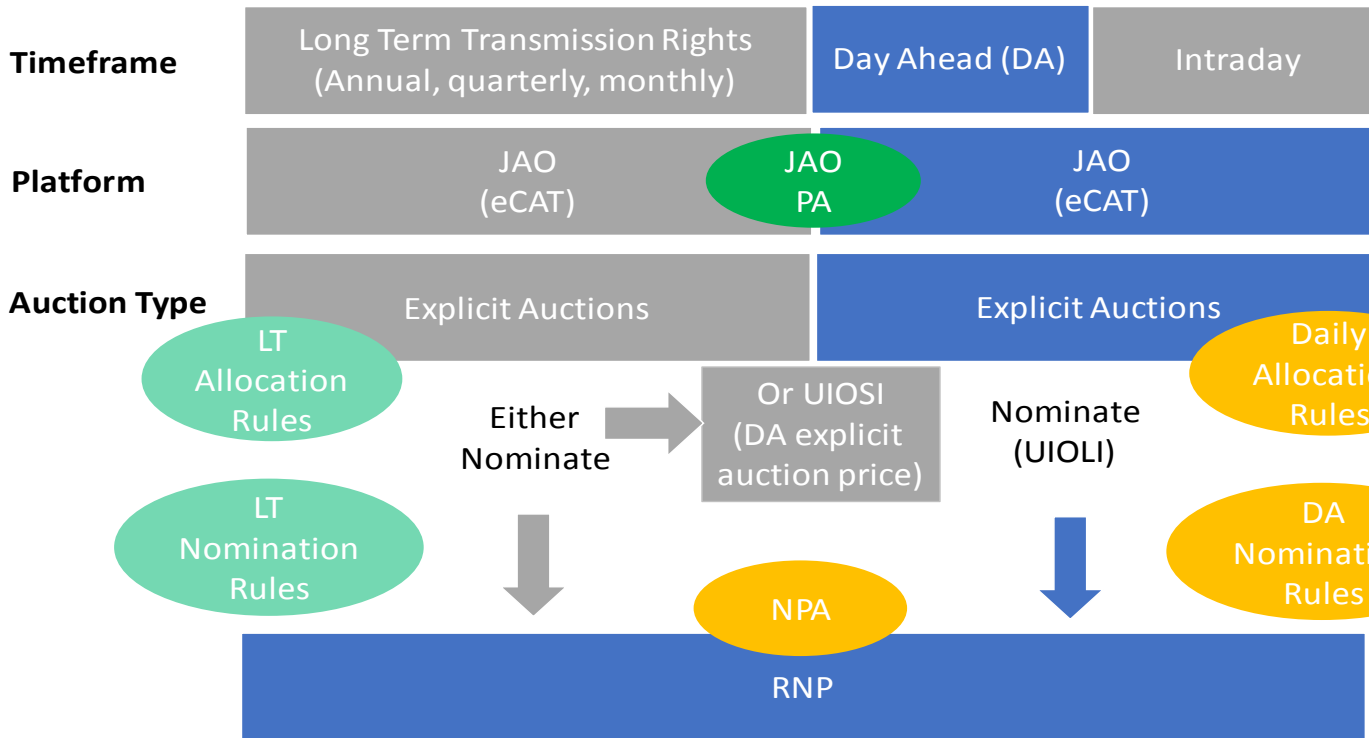
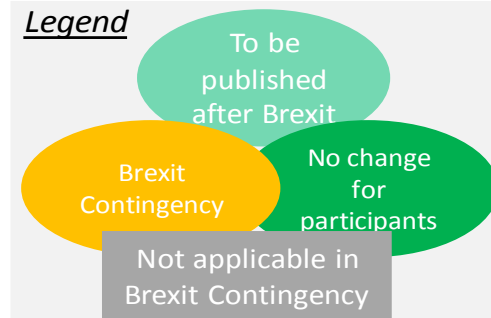
Nemo Link Access Rules



Nemo Link
"Access Rules"

Charging
Methodology

Nemo Link Non-IEM Contractual Framework (Brexit Contingency Plan)



6. **Actions log**

Matthew Bent

JESG Technical Secretary

JESG Standing items

ID	Topic	Lead Party
S1	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair
S2	Prepare a commentary / comparison document between the Network Code and the existing GB arrangements at appropriate stages in the Code development for each Network Code.	NGET / Ofgem / BEIS
S3	Share any intelligence about how other member states are approaching demonstrating compliance through information gained from other government departments, regulators or parent companies	BEIS / Ofgem / Industry parties with European parent companies

JESG Open Actions

ID	Topic	Lead Party	Status	Update
104	Clean Energy Package (15-minute derogation)	(Bernie Dolan)	Open	We suggest reviewing the Clean Energy Package early in the new year when we should have the outputs from the trilogies.

7. Future Meeting Dates & Agenda Items

Matthew Bent

JESG Technical Secretary

Future JESG Meetings

- As always registration is required and will be opened through the JESG Weekly updates.
- Stakeholders are invited to put forward agenda items for the forthcoming JESG meetings:

Date	Proposed Agenda Items
Tuesday 8 January 2019	
Tuesday 12 February 2019	

8. Stakeholder Representation

All

9. AOB