

An Introduction to Project TERRE

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Podcast Series Purpose

KNOW

What the EB GL seeks to achieve

Our role as the Electricity System Operator in implementing the EB GL

What will change in GB in order to comply with the EB GL

FEEL

Informed

Supported

Reassured that compliance will be met

DO

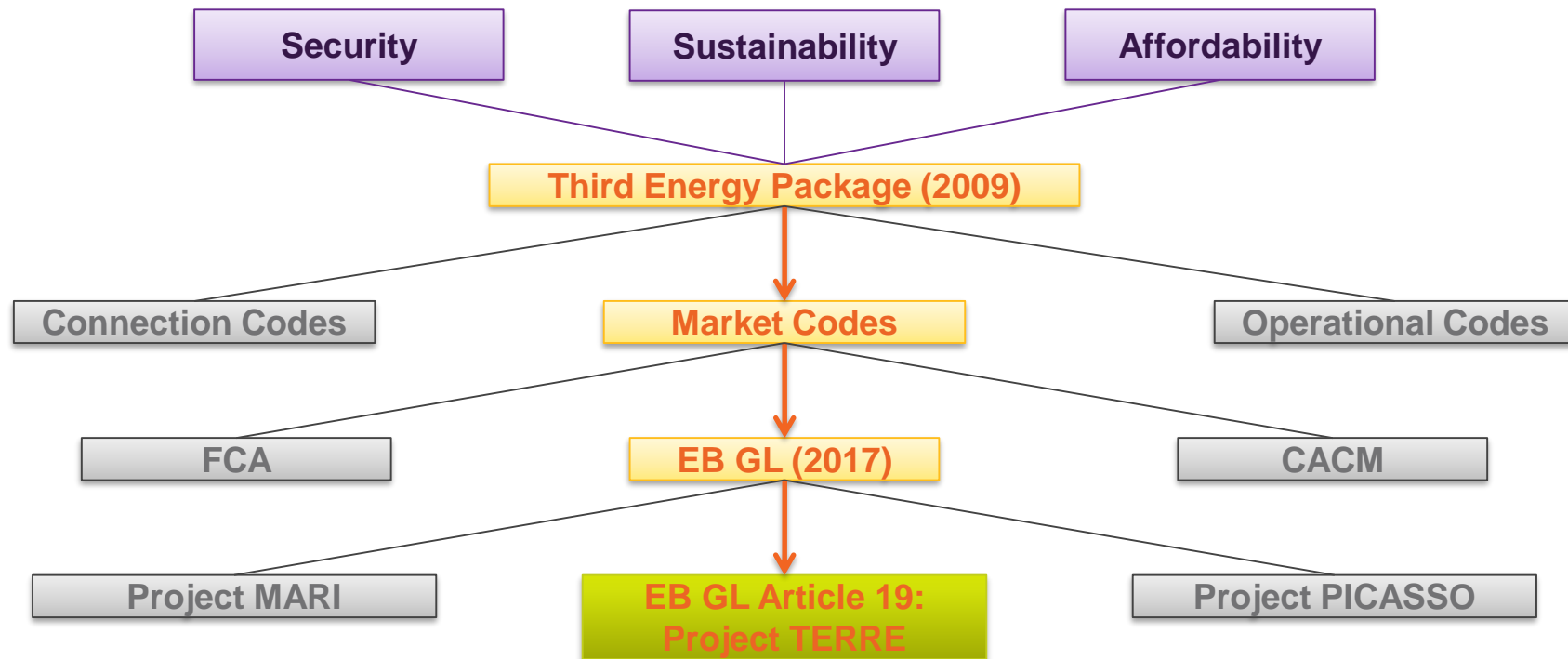
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Get in touch with your feedback and questions

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Background



Project TERRE: Creating a Platform to Share RR

Definitions

- **FRR:** Frequency Restoration Reserve
- **RR:** Replacement Reserves
- **TERRE:** Trans European Replacement Reserve Exchange
- **TSO:** Transmission System Operator
- **BSP:** Balancing Service Provider

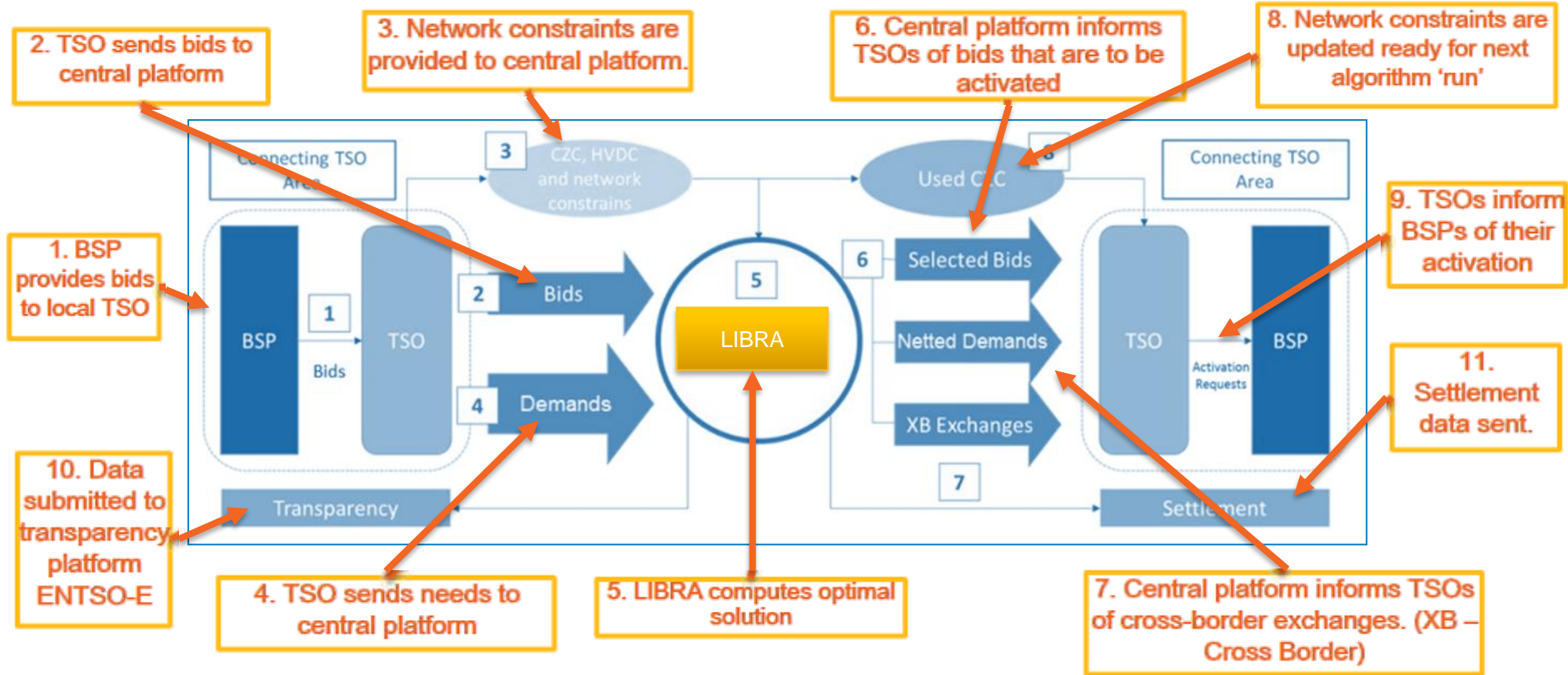
Participating Countries



The Platform

- RR Product
- 15min Blocks
- One auction per hour
- 4 blocks cleared per auction = 60mins
- 30min full activation time
- Scheduled activation
- 6 full members
- Marginal Pricing (unless borders are congested)
- **Go-Live:** December 2019

Pan-EU Balancing Platform: LIBRA



What TERRE means for GB

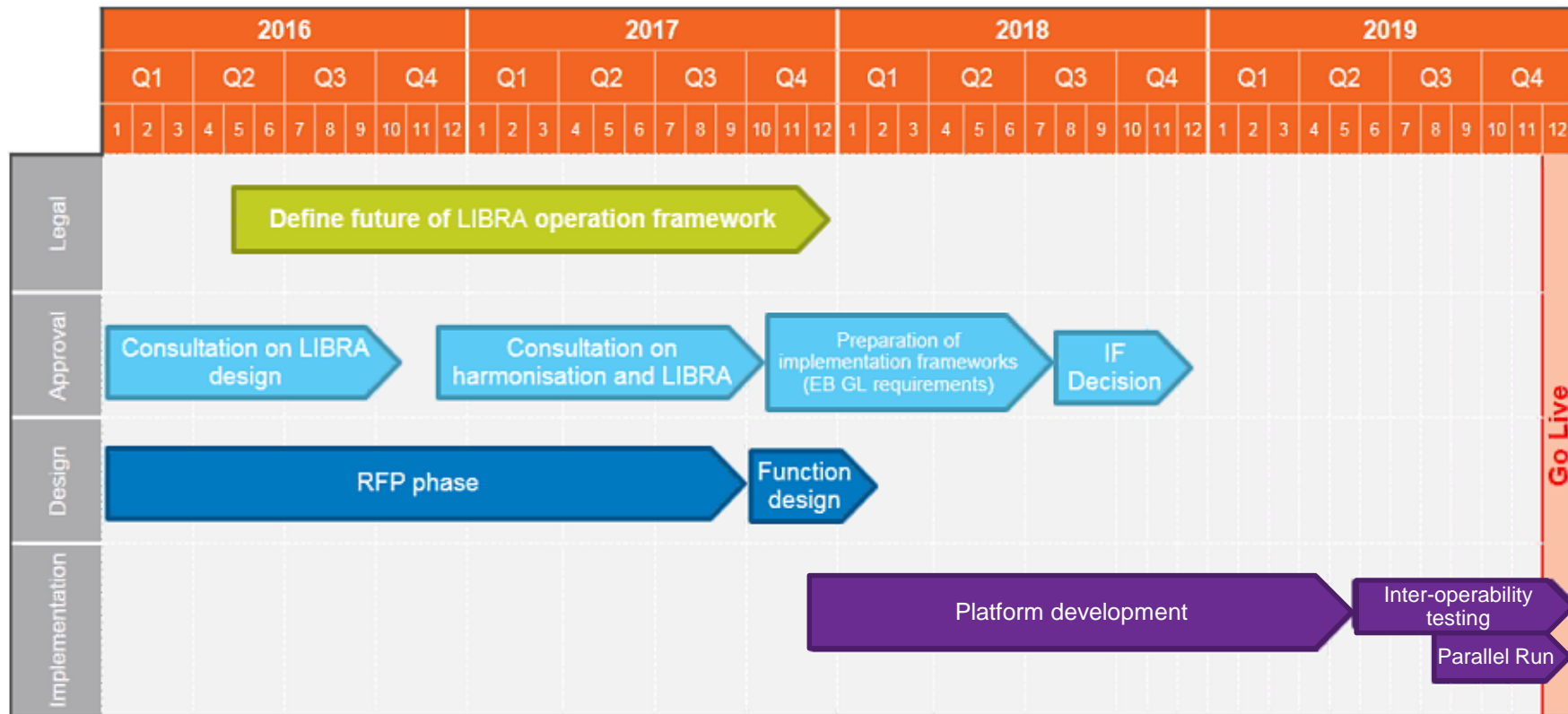
National Grid ESO

- New balancing auction.
- Additional process: TERRE and Balancing Mechanism
- Additional tool: balance system with 15 min blocks of energy
- Additional flexibility: “non-BM” units and across borders.
- Estimated reduction in balancing costs.

Market Participants

- New international market for GB market participants.
- Opportunity to compete in two markets in parallel.
- New pay-as-clear (marginal pricing) parallel to pay-as-bid BM arrangements.
- Removal of barriers to entry.

Implementation Timeline



GB Implementation

ELEXON	nationalgridESO	
BSC	Grid Code	CUSC
Modification: P344	Modification: GC0097	Modifications: CMP295 (working group stage), CMP296 (approved), CMP297 (approved).
Purpose: align BSC with Project TERRE to allow implementation of the TERRE balancing product.	Purpose: modify code to set up GB processes. Allow market participants and TSO to coordinate and participate in TERRE.	
Implementation date: 28 th Feb 2019	Implementation date: 7 th Sept 2018.	

Cross - Code Working

Replacement Reserve End to End Process



Useful Links

Virtual Lead Party (TERRE and Wider Access Video)

[‘Webinar: Introduction to Virtual Lead Party’](#)

BSC Modification

P344: [‘Project TERRE implementation into GB market arrangements’](#)

Grid Code Modification

GC0097: [‘Grid Code Processes Supporting TERRE’](#)

CUSC Modifications

CMP295: [‘Contractual Arrangements for Virtual Lead Parties’](#)

EB GL Podcast Series Overview

Roles and Responsibilities in the Balancing Market

- Role of the TSO, Role of BSPs and BRPs
- Terms and Conditions related to balancing

Procurement and Exchange of Balancing Energy / Capacity

- European Platforms for the exchange of standard products (project TERRE, Project MARI)
- General compliance
- Specific products, procurement rules

Cross Zonal Capacity

- Use of Cross-zonal capacity for the exchange of balancing energy
- Allocation of the capacity and different methodologies for doing this

Settlement

- General principles
- Settlement of Balancing energy
- Intended and unintended exchanges of energy
- Imbalance Settlement Harmonisation

This series of podcasts will explore each of these areas in more detail.

Thank You

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