

Joint European Stakeholder Group



Tuesday 9 September 2019
Meeting 43

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	11:00 - 11:05
2.	Electricity System Operator Update: TERRE Update	Bernie Dolan	11:05 - 11:35
3.	Project TERRE, NGENSO's derogation request	Alastair Owen	11:35 - 11:55
4.	Report from 2 July MESC meeting	Steve Wilkin	11:55 - 12:10
5.	Review of Actions log	Andrew Hemus (JESG Technical Secretary)	12:10 - 12:20
6.	Future Meeting Dates & Agenda Items	Andrew Hemus (JESG Technical Secretary)	12:20 - 12:25
7.	Stakeholder Representation	Chair	12:25 - 12:30
8.	Any Other Business	All	12:30 - 12:40

1. Welcome & Introductions

Garth Graham (Alternate to Barbara Vest)
Independent Chair

2. Electricity System Operator Update

Bernie Dolan
National Grid ESO

JESG TERRE Update

Sept 2019



TERRE – participating TSOs and NRAs

The following countries plan to use Replacement Reserves:

Region 1

- France (RTE) - CRE
- Italy (TERNA) - ARERA
- Portugal (REN) - ERSE
- Spain (REE) - CNMC
- Switzerland (SG) - Elcom
- Great Britain (NG) - Ofgem

Region 2

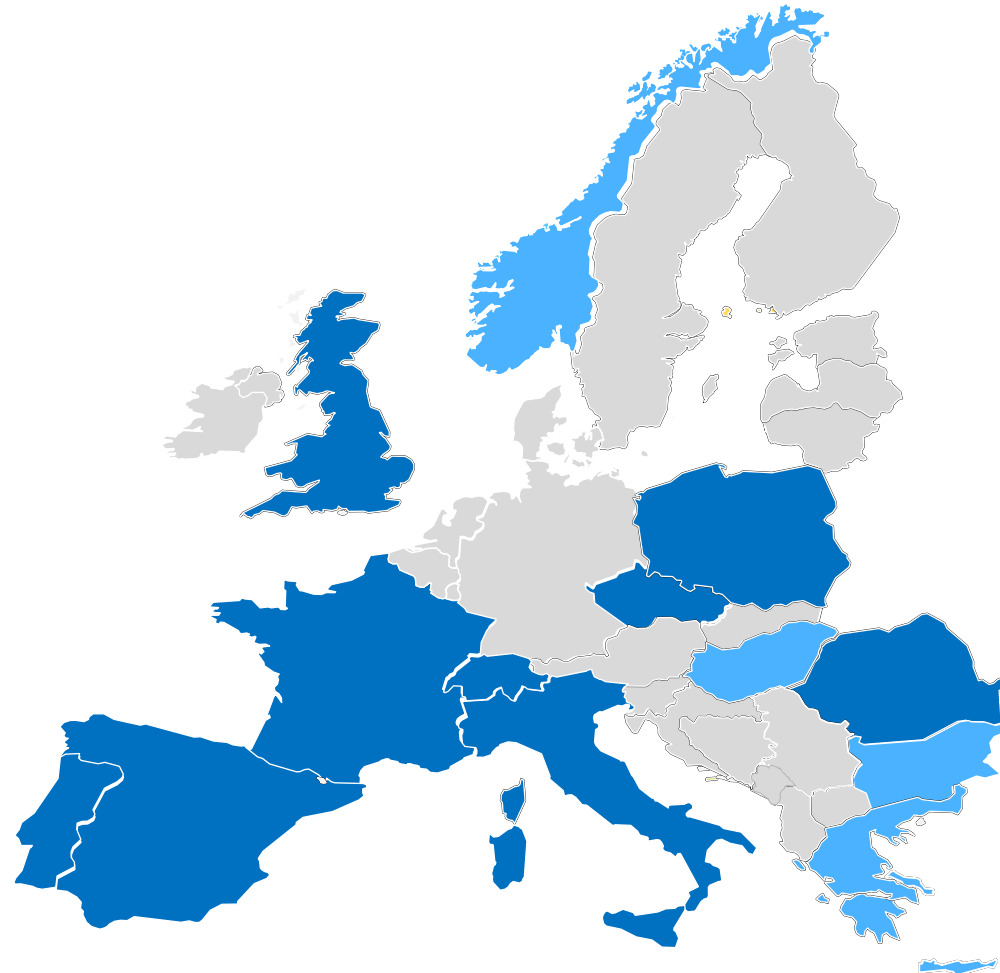
- Poland (PSE) - URE
- CZ (CEPS) - ERU

Region 3

- Romania (TEL) - ANRE
- Hungary (MAVIR) - MEKH
- Bulgaria (ESO) - DKER

Observers:

- Greece (ADMIE)
- 6 ▪ Nordic area



■ RR TSO
■ Non RR TSO

Project Status

RTE request for derogation

- RTE have reported delays with their preparation for TERRE go-live in December 2019 and have requested a derogation
- Their plan is to request a 12 month derogation but to aim for go-live in June 2020

Effect on other TSOs

- For GB we cannot exchange Replacement Reserves (RR) with the rest of Europe – our only means for exchanging RR is via the French Interconnectors
- Other TSOs in Region 1 (see earlier slide) currently use a software system called BALIT for SO-SO trades
- TERRE and BALIT cannot be run at the same time and so this means other TSOs are also submitting derogations

Current status of derogation requests

Requests from TSOs

- REN (Portugal) and REE (Spain) looking to join platform in April 2020 and will exchange RR on their borders
- Terna also to join April 2020
- Depending on ENTSO-E decisions SwissGrid to join April 2020
- RTE and NGESO to join in June 2020
- CEPS looking to run a local market in Jan 2020 (no exchange with other TSOs)
- PSE aim to join December 2020

NGESO position

- We have a number of inflight developments under way
 - Wider Access (WA) – business benefit for GB consumers estimated at between £100m and £400m per annum
 - General Compliance (GC) – compliance with a number of areas of the EU codes
 - TERRE – business benefit estimated at 13m € per annum
- Our position is to delay TERRE and go-live with RTE for the following reasons:
 - TERRE business benefits for GB consumers cannot be realised unless we can exchange RR with Europe
 - We cannot prove compliance until we exchange RR
 - By delaying TERRE we “de-risk” other IT developments and ensure we have a higher level of confidence in delivering WA and GC

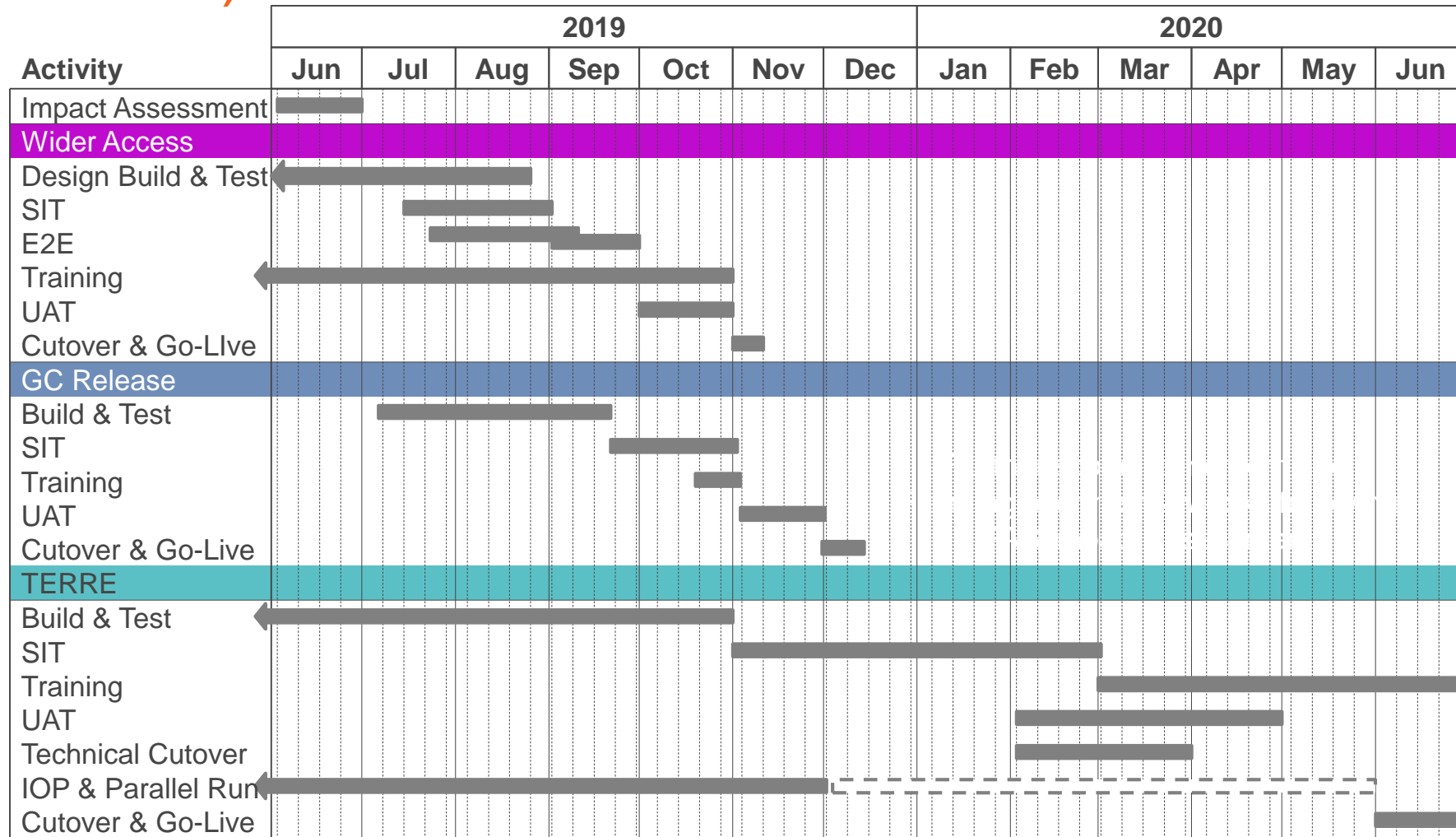
Academic Report Links

<https://www.nera.com/publications/archive/2012/understanding-the-balancing-challenge.html>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/568982/An_analysis_of_electricity_flexibility_for_Great_Britain.pdf

https://www.ofgem.gov.uk/system/files/docs/2017/07/an_assessment_of_the_economic_value_of_demand-side_participation_in_the_balancing_mechanism_and_an_evaluation_of_options_to_improve_access.pdf

PoaP_ Programme Plan (WA, GC & TERRE)



TERRE re-plan

GB plan

- NGENSO will continue to develop all interfaces to TERRE and to support all planned IOP (Interoperability Testing) and parallel run testing
- This includes BMUs being able to submit data and receive results from TERRE
- NGENSO will also submit parameters such as elastic and inelastic needs
- However all “backend” system developments such as energy forecasting, post-event analysis, interfaces to the French Interconnectors and NGENSO settlement systems have been put on hold
- This allows us to reduce the number of releases into production IT systems and spend greater time testing backend TERRE functionality
- Given the business benefits quoted earlier we strongly believe this is the most prudent way to proceed

JESG Additional Items

Sept 2019



Additional items

Other points of interest

- Response to EBGL Article 18 submitted 4th August
- Exemption request for EBGL Article 16.6 submitted 4th August
- NCER T&C, System Defence, and System Restoration plans submitted 20th August
- SOGL 118/119 approved on 6th August
- Work ongoing for Channel RD and CT (Redispatching and Countertrading) transitional arrangements
- IU and Channel versions of Coordinated Security Analysis Methodology (CSAM) under development
 - IU consultation planned for 11th Oct
 - Channel consultation planned for 4th Oct
- Cost Benefit Analysis for aFRR due for submission on 14th September (SOGL Article 145)
- ¹³ Clean Energy Package – considering derogations on Article 6 (Balancing)

nationalgrideso.com

National Grid ESO, Faraday House, Warwick Technology Park,
Gallows Hill, Warwick, CV346DA

nationalgridESO

3. Project TERRE, NGENSO's derogation request

Alastair Owen
Ofgem

4. Report from 2 July MESC meeting

Steve Wilkin
ELEXON

Public

Report from 2 July MESC meeting

(MESC = Market European Stakeholder
Committee)

10 September 2019
Steve Wilkin



Background to MESC

- MESC is the Market European Stakeholder Committee
- It one of the EU's three electricity industry stakeholder committees based around the European Network Codes & Guidelines, between them covering
 - Electricity markets (MESC)
 - System Operations
 - Grid Connections
- Each meets quarterly in Brussels or Ljubljana
- They have no decision-making powers but are arguably the most senior/influential committees that are open to all affected stakeholders and have representatives of the Commission, regulators, ACER, TSOs, DSOs, market participants, etc.
- Committee members represent Europe-wide bodies, such as Eurelectric, EFET, ENTSO-E and Europex.
- I represent Europex with a particular mandate for balancing and imbalance issues.

2 July MESC (1)

- Presentation slides are published here: https://www.entsoe.eu/network_codes/esc/
- 2 July MESC meeting covered (first part):
 - Recent developments, in particular market suspension discussion
 - Balancing issues
 - Common Grid Model
 - Forward markets – moving to Financial Transmission Rights
 - Splitting rules – splitting interconnector capacity to be sold in different timeframes
 - Transparency in Central Western Europe (CWE) region

2 July MESC (2)

- Presentation slides are published here: https://www.entsoe.eu/network_codes/esc/
- 2 July MESC meeting covered (second part):
 - Implementing the Clean Energy Package 70% interconnector capacity available for trading rule
 - Update on the Bidding Zone Review process
 - Update on redispatching and countertrading
 - Updates from NEMOs and on XBID (intraday market coupling)
 - AOB – report on frequency deviations in continental Europe in January 2019
 - Next meeting – 17 September 2019



5. Actions log

Andrew Hemus
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
112	To circulate the timeline for the Clean Energy Package	BEIS	Open	Timeline received (23/07) to be circulated in JESG weekly update (12/09)
113	Confirmation around delegation on Article 18 to Elexon or the BSC Panel	National Grid, Ofgem, BEIS	Open	NGESO and Elexon have been working on the possible delegation required in BSC that will ensure compliance against EBGL requirements, whilst also providing clarity and a minimum change approach for industry in the existing GB modification process. The current intention is for the ESO to raise a supporting BSC modification and issue the necessary delegation in October.
115	To hold a meeting with stakeholders in September to undertake a code mapping exercise against the Clean Energy Package	NGESO	Open	

6. Future Meeting Dates & Agenda Items

Andrew Hemus
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 October	
Tuesday 12 November	

7. Stakeholder Representation

All

8. AOB