

Project TERRE

Update on GB Go-live date

24 April 2020

Due to the current Global uncertainty created by COVID-19, we are continually reviewing our plans as an ESO, noting that priorities will have changed for us and our stakeholders. For the ESO, the safety of our employees and system security and resilience are of utmost importance.

As a result, we have made the difficult decision to delay the implementation in Great Britain of access to the European Replacement Reserve (RR) market until the end of October at the earliest. This is being created by the Trans-European Replacement Reserve Exchange (TERRE) industry project, of which the ESO is a leading member.

We know that there has been some frustration with the length of time it has taken us to come to this decision. However, we wanted to make sure we were taking all factors into account and, as required of us as a regulated business, consulted with Ofgem and BEIS ahead of making an announcement.

Many factors were involved in our decision to delay the project, including:

- the safety of our employees
- the availability of our internal resources
- feedback from market participants and
- the latest Government advice

We wanted to share this news with you as soon as possible to provide clarity and reduce the risks to your own work. Please find below a short Q&A, which we hope will answer any questions you have on the delay.

Why are we delaying the GB implementation for Project TERRE?

We are delaying the GB Go-Live for Project TERRE for two reasons:

- We need to move core colleagues back from project roles to operational roles
- We cannot deploy access to the European RR market using the Libra platform until it is also deployed in France - the French TSO, Réseau de Transport d'Électricité (RTE), has already taken the decision to delay implementation.

Work to review all of our projects across the ESO forms part of our wider response to COVID-19. The safety of our employees is our priority, and we have put in place measures to safeguard our shift teams, critical support teams and IT teams, while continuing to focus on our core operational activities. These measures include segregating our shift teams across our two control rooms and asking some of our experts to return from projects to operational duties.

This means that we have less availability of people for training, User Acceptance Testing (UAT) and Go-Live transition. The Technical teams within our IT CNI function are also segregated so that they can support and maintain the availability of the production systems. Segregation of our teams means that our training facility in the CTU is currently unavailable and we can't prepare for Go-Live without the correct training.

When is Go-Live of GB participation in RR likely to be?

It is difficult for us to predict when the project is expected to Go-Live because the situation with COVID-19 is so uncertain. We are constantly reviewing the latest Government advice and guidelines and will only return the project to a fully active status when it is safe for our teams to do so. For now, we must continue to prioritise our core operations.

Once the current lockdown guidelines are lifted it will take some time to return the project to a fully active status. We expect GB Go-Live to take place at the end of October at the earliest.

Meanwhile, we are continuing with technical development of systems where our core operational employees are not involved. We are actively progressing with testing for the Libra platform, and with a group of prospective market participants as testing partners.

Why can't the project continue without NGESO involvement?

Ofgem asked us to investigate the possibility of access to the European RR market without NGESO involvement. We have looked into this and have concluded that it isn't possible for the following reasons:

- To comply with the Codes, the respective TSOs need to co-ordinate and set the 'TSO needs' for the product and set the boundary transfer capability.
- The only active transfer capability to the TERRE market is via the IFA interconnector between GB and France. Participation of IFA and RTE is needed to give access to the European market. RTE has an arrangement with German participants using an AC connection which bypasses the TSO. Unfortunately, this isn't technically feasible with the GB-France DC interconnections without considerable software redesign on the interconnectors and the interaction of the existing boundary transfer programmes.
- The technical architecture of the IT systems will involve a full end-to-end test of the data prior to Go-Live. Market participants can only participate in the market via the linkage between the NGESO, ELEXON and the European platform for clearing price calculation and validation. There is no facility for Market Participants to directly communicate with the European systems without NGESO involvement.

Contact us

If you have any questions, please contact:

- Delay in implementation – box.BalancingProgramme@nationalgrid.com
- Testing – box.ENC.NewMarketsTesting@nationalgrid.com
- RR market in general – Commercial.Operation@nationalgrideso.com