

Meeting minutes

GB TERRE Implementation Group

Date: 25/11/2020 **Location:** Virtual
Start: 12:00 **End:** 13:00
Contact: box.balancingprogramme@nationalgrideso.com

Participants

Attendee	Company
Graham Dolamore (Chair)	ESO
David Bowman (Tech-sec)	ESO
Gareth Davies	ESO
Tom Ireland	ESO
Andy Hadland	Arenko
Catherine Hennigan	BEIS
Robert Selbie	BEIS
Murray Rennie	Brady
Campbell Roberts	CGI
Raghu Trichinapoly Vijayabhasker	CGI
Tom Edwards	Cornwall Insight
Mads Odsgaard Olesen	Danske Commodities
Andy Paton	ElecLink
Michael Carrington	ElecLink
Roger Harris	Elexon
Kate Boon	Engie
Sabina Chaudhary	Engie
Nick Williams	Erova
Natasha Lingaloo	National Grid Ventures
Alastair Owen	Ofgem
Steve Taylor	Quorum Development

Jo Manship	RWE
Paul Coates	RWE
Mark Hancock	Siemens
Mark Devine	Sembcorp
Charlotte Johnson	Upside Energy
Andrew Heygate-Brown	Welsh Water

Agenda

#	Topics to be discussed	
1.	Welcome, introductions, agenda and terms of reference	Graham Dolamore (5 minutes)
2.	Short-term plan for group	Graham Dolamore (5 minutes)
3.	Background to TERRE implementation delay	Graham Dolamore (5 minutes)
4.	Current legal position	Bernie Dolan (10 minutes)
5.	Suggested scenarios for Implementation Group review	Graham Dolamore (20 minutes)
6.	Next steps and next meeting	Graham Dolamore (5 minutes)

Discussion and details

#	Topics to be discussed
1.	<p>Welcome, introductions, agenda and terms of reference</p> <ul style="list-style-type: none"> The chair welcomed everyone to the Group and thanked them for their attendance at short notice. The terms of reference were presented. The Group will meet weekly on Wednesday from 12 noon to 1pm. The ESO will convene a separate interconnector arrangements working group. Comments and questions on the terms of reference are welcome by Friday 27 November. A participant asked whether the interconnector working group would have a separate terms of reference. The chair confirmed this would be the case and that the working group would feed into the main Group.
2.	<p>Short-term plan for Group</p> <ul style="list-style-type: none"> The short-term work plan for the Group until the end of December 2020 was presented. The chair noted that some work would be required by participants outside of the meetings.
3.	<p>Background to TERRE implementation delay</p> <ul style="list-style-type: none"> A timeline of key industry announcements and publications was presented. The chair noted that the ESO position is as per the industry update of 4 September 2020 and remains unchanged.
4.	<p>Current legal position</p> <ul style="list-style-type: none"> The speaker summarised the current legal position in respect of TERRE implementation. This included legal obligations, the decision of the European Commission in July 2020 that the UK would not be able to access EU energy platforms after 31 December 2020, the status of SwissGrid and the provisions of the transition period. As a preamble in advance of Item 5, the speaker highlighted that all scenarios depend on the signing and nature of a final trade agreement between the UK and EU. The speaker mentioned that the first

step in any plan will be a review of third country status under TERRE and the TERRE commercial arrangements going forward.

- A participant asked that, given the ESO has a share of the intellectual property on the algorithm, could we clarify whether the algorithm could be used in isolation from Europe
- The speaker said that the ESO could take a local copy of the algorithm and the associated software modules that enable it and use these in standalone mode. However, this would not allow replacement reserve (RR) exchange with Europe, which is central to the TERRE business case. A thorough review and cost-benefit analysis would therefore be needed before proceeding with this approach.

5. Suggested scenarios for Implementation Group review

- The chair summarised three scenarios the ESO had developed, as per Ofgem's open letter of 6 November 2020.
- Scenarios 1 and 2 involve the ESO waiting for legal clarity before proceeding; Scenario 3 involves the ESO proceeding before receiving legal clarity.
- In Scenario 1, GB is not able to exchange replacement reserve using in TERRE is the way currently envisaged (with or without a final trade agreement). This would require a review of the cooperation agreement on TERRE, and dialogue with the European Commission and TERRE partners. The current TERRE operating protocols, commercial arrangements and system-to-system flow methodology would also need review. The ESO could consider running a local copy of TERRE in standalone mode, but a full cost-benefit analysis would be needed first.
- In Scenario 2, a final trade agreement means that GB can exchange RR using TERRE. A review of the cooperation agreement would still be needed to check the arrangements remain the same, after which the ESO could restart finalising the TERRE operating protocols, commercial arrangements and system-to-system flow methodology. The ESO would then restart testing with parties and the central platform and agree with the TERRE platform a date for joining.
- In Scenario 3, the ESO continues with TERRE delivery and the associated agreement implementations and technology roll-outs. The ESO would plan commencement on finalising the TERRE operating protocols, commercial arrangements and system-to-system flow methodology. Once legal certainty was established, the arrangements and technology would need to be reviewed and potentially re-worked. This could lead the ESO to spend money on behalf of GB consumers that does not contribute to the intended benefit.
- A participant asked if any IT elements need to happen now to avoid delaying scenarios. The chair said that, as per the ESO's published plan, work is continuing on testing ESO systems with the Libra platform. The consideration then is whether the ESO should start to implement code that affects internal and external parties and systems that may need unwinding, representing a potential regret spend.
- A participant asked how far does waiting for legal clarity push back delivery, assuming we can access TERRE by 1 January 2021. The chair said that from a non-technology perspective we need to understand whether the final trade agreement means the commercial arrangements are the same as what we currently expect and make any necessary changes. In terms of technology, there will be a remobilisation plan but this would be impacted by a change freeze over the Christmas period as is standard practice for operators of critical national infrastructure.
- A participant asked if there were any no regrets decisions that could be made. For example, an ECP upgrade is required regardless of TERRE but is a dependency for TERRE. The chair said that the ESO would investigate this and provide an answer.
- A participant asked whether there was a credible scenario assuming we are not going to have access, and then restart if the situation changed. The chair and an ESO representative said that this is a credible scenario and could free up industry time for other high benefit activities. The participant said they felt it was more credible than proceeding as if we have legal clarity.
- A participant asked whether changes to Article 19 that would remove our obligation to be part of TERRE apply across all scenarios. The ESO representative said they felt that this was the case, but the GB could agree to sign-up to all of the European Network Codes to allow full access to the European market, although this is seen as very unlikely.

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- 6.
- The chair asked participants to provide comments on the scenarios by 27 November. This includes whether the scenarios are credible, whether any scenarios have been missed and when organisations could commit to implement TERRE based on the scenarios.
 - The ESO will develop implementation timelines based on the scenarios and present these at next week's meeting.
 - The ESO will set-up the next meeting and the interconnector arrangements working group.
 - Next meeting: Wednesday 2 December, 12 noon - 1pm.
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Action Item Log

Action items: In progress and completed since last meeting

ID	Description	Owner	Due	Status	Date
1	Provide comments on scenarios presented, including: <ul style="list-style-type: none">• Are the scenarios credible?• Have any scenarios been missed?• Based on the scenarios, when could your organisation commit to implement?	All	27/11/2020	Open	25/11/2020
