

A landscape photograph of a mountain range with snow-capped peaks under a cloudy sky. In the foreground, several bright, glowing yellow-orange lines curve across the terrain, suggesting energy or data flow. The text 'GB TERRE Implementation Group' is overlaid on the left side of the image.

GB TERRE Implementation Group

25 November 2020

Item 1 – Welcome and introductions

Graham Dolamore – Programme Director
Balancing and European Compliance

Agenda

Item	Topic	Purpose	Presenter	Time
1	Welcome, introductions, agenda and terms of reference	Information	Graham Dolamore	5 mins
2	Short-term plan for group	Agreement	Graham Dolamore	5 mins
3	Background to TERRE implementation delay	Information	Graham Dolamore	5 mins
4	Current legal position	Information	Bernie Dolan	10 mins
5	Suggested scenarios for Implementation Group review	Group Discussion	Graham Dolamore David Bowman	20 mins
6	Next steps and next meeting	Agreement		5 mins

Notes

- Please use the raise hand function to ask questions. We propose to take these after Item 4.
- We are recording the meeting to aid minute capture. Anonymised minutes will be published on the ESO website. The recording will not be published.

Terms of reference

Remit

- Developing a baseline assumption on the UK's access to EU balancing platforms from 1 January 2021 and alternative credible scenarios
- Developing a new GB implementation plan based on the baseline assumption and the credible scenarios that is integrated across stakeholders and considers already planned obligations and updates
- Developing a plan to deliver the required revisions to the operating protocols and commercial contracts (bilateral / trilateral ancillary services agreements) with the relevant interconnector parties and system operators
- Ensure that plans are widely available, and that all parties have clarity on what actions they need to take, and by when, under credible scenarios
- Make quick progress against that plan as soon as we have certainty of what the EU position will be.

Logistics

- Weekly meeting on Wednesday 12-1pm
- ESO to chair and provide secretariat support
- Provisional agenda agreed at end of each meeting
- Minutes circulated by end of Wednesday, for comments by end of Thursday
- Minutes published on ESO website on Friday

Attendance

- Senior level representation from all stakeholders to enable decision making
- One representative per organisation (can vary between meetings)

Out of scope

- Matters not related to TERRE implementation in GB
- Wider policy discussion on TERRE or future UK-EU relationship

Interconnector arrangements sub-group

- We propose a separate interconnector working group with interconnectors to discuss more detailed arrangements

Item 2 – Short-term plan for group

Date	Proposed topics
25 November	<ul style="list-style-type: none">• Agree short-term plan• Agree terms of reference• Discuss draft scenarios
2 December	<ul style="list-style-type: none">• Agree scenarios• Discuss TERRE implementation based on scenarios
9 December	<ul style="list-style-type: none">• Agree action plan
16 December	<ul style="list-style-type: none">• Discuss future role of the group

Item 3 – Background to TERRE implementation delay

Timeline

Date	Communication
6 November 2019	<ul style="list-style-type: none">• Ofgem grant ESO derogation until 30 June 2020
24 April 2020	<ul style="list-style-type: none">• Ofgem issued letter to ESO on regulatory easement due to covid-19• ESO issue update on delay until end of October at the earliest
16 June 2020	<ul style="list-style-type: none">• Ofgem granted ESO further derogation until 27 October 2020
9 July 2020	<ul style="list-style-type: none">• EC announce that ESO will not have access to EU platforms
4 September 2020	<ul style="list-style-type: none">• ESO issued letter outlining delay to end of the year
6 November 2020	<ul style="list-style-type: none">• Ofgem open letter, requesting creation of GB TERRE Implementation Group
18 November 2020	<ul style="list-style-type: none">• ESO letter requesting expressions of interest for Implementation Group

Item 4 – Current legal position (1/2)

- The creation/participation in TERRE is a requirement under EBGL as part of the wider CEP.
- NGESO is a party to the TERRE Cooperation Agreement (CA) through which the platform and processes have been developed and under which participation is envisaged.
- The effect of the GB exit arrangements is that GB is a "third country" in EU terms and on 9th July the European Commission issued a communication stating that it would not be allowed to participate in the European platforms
- Under EBGL SwissGrid, who are also a Third Country, can only participate in TERRE under certain conditions and with a decision from the EC (as covered in EBGL Article 1(6))
- One of the conditions is operational security arguments and SwissGrid joined TERRE on 8th October. SwissGrid were supported by six of the eight RR TSOs
- The EC had made clear that its position that SwissGrid should not be participating and we are awaiting the response of the EC to a letter sent by ENTSO-E on behalf of all 27 TSOs
- EBGL and TERRE provisions apply to GB during the transition period but after 31 December, whilst EBGL is in parts retained in UK law, the provisions regarding TERRE are deleted ([STATUTORY INSTRUMENTS 2019 No. 532](#))

Item 4 – Current legal position (2/2)

Context for scenarios

- Given we are now a third country, all scenarios depend on whether and the nature of the Final Trade Agreement (FTA):
- This FTA will govern relations between the EU and GB and the type of "third country" we are: will it be an agreement that enables us to participate in the way currently envisaged under the CA or will it be an agreement that enables us to participate in a different form and, even if there is no FTA, will it nevertheless be possible for us to utilise on a "contractual" basis some of the processes/services available through the platform.
- The timing and content of the FTA is not in our control – and if there is nothing agreed by 31st December we will default to no agreement.
- In addition to the FTA, how SwissGrid will be treated under TERRE will be an indication of the EC position on GB particularly if there is no FTA
- The first step in any plan will be a review of our third country status under TERRE/the TERRE CA going forward

Questions

Please use the raise hand function



Item 5 – Suggested scenarios for Implementation Group review

Wait for legal clarity before proceeding further

Scenario 1 - FTA or no FTA means that our participation as a third country to exchange RR using TERRE in the way currently envisaged will not be permitted

- A review of the TERRE CA will be needed and soundings from EC and TERRE partners
- Review current TERRE OP, commercial agreements and system-to-system flow methodology and consider necessary changes
- NG ESO can consider options of running a local copy of TERRE so that we use the software in “standalone” mode and/or use to exchange bilaterally?
- The analysis would consider the cost-benefit for GB consumer

Wait for legal clarity before proceeding further

Scenario 2 - FTA means the EC will allow GB to exchange RR using TERRE

- A review of the TERRE CA will be needed and consideration whether arrangements remain exactly the same
- Work will restart on finalising the TERRE OP, commercial agreements and system-to-system flow methodology
- NGESO will restart testing with parties and the central platform
- Will agree with the TERRE platform date for NG ESO to join

Proceed before receiving legal clarity

Scenario 3 – ESO assumes access to TERRE platform as currently envisage

- Continue with TERRE programme delivery - agreements and technology roll-out.
- Plan commencement on finalising the TERRE OP, commercial agreements and system-to-system flow methodology.
- Once legal certainty is established, review arrangements and technology provision, re-plan, re-work and re-mobilise as appropriate.

Discussion:

- Do you think these scenarios are credible?
- Have we missed any scenarios?
- Based on the scenarios, when could your organisation commit to implement?

Item 6 – Next steps and next meeting

Next steps

- Group to provide comments on scenario discussion questions by Friday 27 November
- ESO to develop implementation timelines based on scenarios to present next week
- ESO to set up next meeting
- ESO to set-up interconnector arrangements working group

Next meeting

Wednesday 2 December, 12-1pm

Agenda:

- Further develop scenarios
- ESO to provide details of draft implementation plan

