

Joint European Stakeholder Group



Tuesday 8 December 2020
Meeting 52

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	STOR Day Ahead Procurement	Claire Huxley (National Grid ESO)	10:05 - 10:15
3.	TERRE Implementation Group	Claire Huxley (National Grid ESO)	10:15 - 10:20
4.	EBGL Article 26 overview	Claire Huxley (National Grid ESO)	10:20 - 10:30
5.	Review of Actions log	Andrew Hemus (Tech Secretary)	11:05 - 11:30
6.	Future Meeting Dates & Agenda Items	Andrew Hemus (Tech Secretary)	11:30 - 11:35
7.	Stakeholder Representation	Chair	11:35 - 11:40
8.	Any Other Business	All	11:40 - 11:45

1. Welcome & Introductions

Garth Graham
Independent Chair

2. STOR Day Ahead Procurement

Claire Huxley
National Grid ESO



STOR Day Ahead Procurement JESG Dec 2020

Structure

Contracting and pre-qualification requirements

Key performance measures and monitoring

Tender windows

Availability declarations

Tender rules for curtailable bids

EBGL consultation timeline

Contracting and pre-qualification requirements



Contracting and pre-qualification requirements

STOR procurement from April 2021 will be purchased using the new contract framework

Proposed Contracting Framework

- General Terms and Conditions – essentially mirror section 4 of the SCT
- Service Terms – standard terms for STOR service which mirror the clauses of the existing SCT where appropriate
- Glossary of terms – lifted from the SCT section 5
- Tender Rules – Clarification on the rules for tender submission and assessment of tenders
- Onboarding Registration and pre-qualification forms;
 - Form A – New provider registration form
 - Form B – Provider applying to become pre-qualified to participate in the STOR service
 - Form C – Completed by NGESO and provides confirmation that the provider is fully pre-qualified. On receipt of form C providers are then free to submit tenders for the day ahead STOR service (from 1 April)
 - STOR Data Template – technical parameters of assets

Type of provider	Action required from providers	Action required from NGESO
Existing pre-qualified STOR providers	Submit Form A & B	Complete Form C and send to provider
New STOR providers already in the BM		
New STOR providers (Non-BM)	Liaise with NGESO to establish the PAS platform before or in parallel with submitting Forms A & B	Complete Form C once successful end to end test of the PAS interface has been completed
Any existing STOR provider (NBM) with a Framework Agreement, but not PAS/ADSP compliant		

Note that NGESO hold a number of long-term STOR contracts. These will be governed by the existing contracting framework and will not migrate to the new structure.

Key performance measures and monitoring



Key performance measures and monitoring

Performance measures for service delivery

- Moving to single day contracts, providers should be better placed to commit their capability with much more certainty than the current arrangement.
- Therefore we intend to increase performance measure for delivery during each Availability Window to 95% (from the current 90%).
- Modelling shows most providers are already delivering at the level.
- Give additional incentives for providers to meet contracted performance level and aligns with wider focus on performance across all balancing service contracts

Performance monitoring

- Still developing these rules and welcome thoughts from industry
- Intention is to monitor performance over a longer period of time than a day; this will enable us to link under-performance to pre-qualification and to not award contract to STOR units with continued poor performance
- Looking at rolling 4-weekly process for monitoring
- Following poor performance, we will discuss with Providers to encourage revising base parameters (MW) but ultimately may result in suspension of prequalification status and require a re-proving test

Tender windows



Tender Windows

Having listened to concerns around resourcing daily tenders, tenders will open a week ahead and close the day before. Providers will be able to amend, remove or replace from week ahead, up to day ahead, tender close.

Timescales	Action
D-7 @ 5am	Tender open for D+7
Between D-7 @5am and D-1 @5am	Providers can change availability price or MW
D-1 @ 5am	Tender close for D+1
D-1 @ 6am	Contract award emails sent
D-1 @ ~10am	Results published

Availability declarations



Availability declarations

Current arrangements for availability declarations will need to change as we move to daily contracts

Availability declarations will need to match the MW's in the tender submission.

Availability declarations will include confirmation of MW available and the utilisation price.

Availability declarations can be submitted before, during or after tender submission, ahead of time - this removes the need for weekend submissions.

Declarations must be submitted by no later than 90 minutes prior to the first STOR operational window. If declarations can be made by 11am on the day of contract award (i.e. day before service delivery), this will be much appreciated by our control room for daily scheduling.

For the avoidance of doubt, these declarations/redeclarations will be submitted into the normal PAS for NBM and BM OC2 for BM.

Tender rules for curtailable bids



Tender rules for curtailable bids

We intend to allow providers to offer curtailable bids – details are still being finalised and will be released in the Article 18 consultation

We will treat the STOR day ahead tender as an auction rather than assessment and so we will be assessing whether we can accept or reject the marginal STOR unit. In the event of there being multiple units with an identical bid as the marginal unit, it is important that we have the appropriate methodology to decide what action to take in order to ensure we only procure to cover the STOR requirement and not procuring additional volume.

Therefore, when the marginal unit is curtailable then the MW offering from the bid is reduced to fit into the remaining requirement.

EBGL consultation timeline



EBGL consultation timeline

Article 18 consultation will ask industry for feedback on how Terms and Conditions will work before submission to OFGEM

EBGL Article 18 Consultation	W/C. Start Time	W/C. End Time
Launch Article 18 consultation	14/12/2020	18/01/2020
Webinar to cover EBGL consultation	14/12/2020	23/12/2020
Article 18 consultation closes (1month + 1 week over Christmas)	21/01/2021	21/01/2021
Submit updated Article 18 docs to OFGEM	11/02/2021	11/02/2021
Provider onboarding Form A, B and C	February	March
OFGEM decision	11/02/2021	25/03/2021
OFGEM approve EBGL Art 18	25/03/2021	25/03/2021
Ts and Cs go live	01/04/2021	01/04/2021

Consultation Webinar to be scheduled

Questions?



3. TERRE Implementation Group

Claire Huxley
National Grid ESO



TERRE Implementation Group
JESG Dec 2020

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

Scenarios

We presented Scenarios 1 to 3, and Scenario 4 was suggested in the last meeting

Wait for legal
clarity before
proceeding

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

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

Proceed
before legal
clarity

Scenario 3 – ESO assumes access to TERRE platform as currently envisaged, with material risk of change

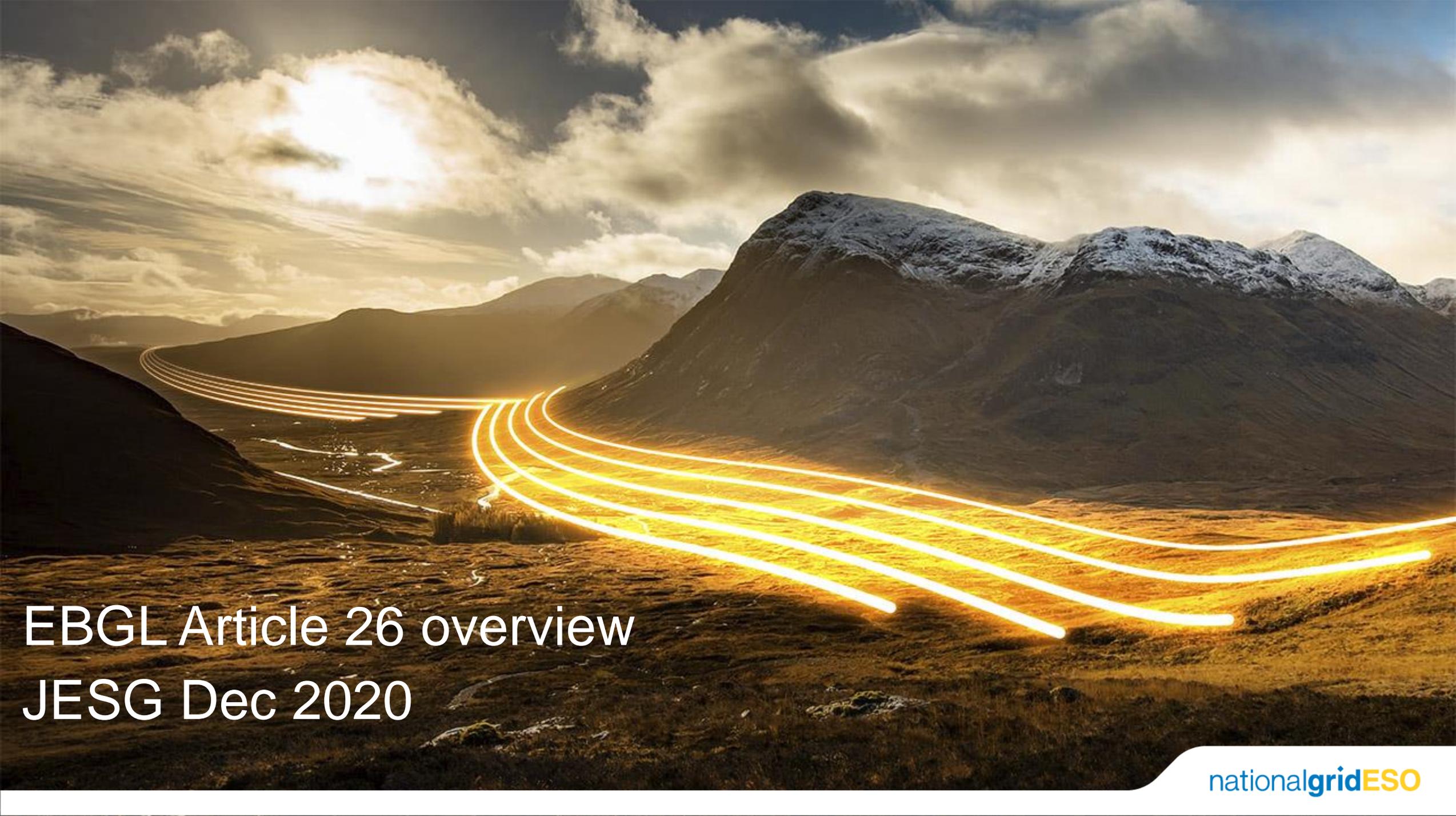
Scenario 4 – Pause all work

We received five pieces of feedback. In summary:

- Support for inclusion of Scenario 4, either as a standalone scenario or as a nuance of Scenario 1.
- Least worst regrets / work that should take place under all scenarios should be identified.
- Need to be mindful of impact of further work (such as testing) on industry.
- On individual scenarios – one party felt Scenario 1 was the only credible scenario and that all work on TERRE implementation should be paused as it is not in the interests of consumers. Another said that Scenario 3 seemed infeasible but still valid as a discussion for now but we might consider dropping it.

4. EBGL Article 26 overview

Claire Huxley
National Grid ESO



EBGL Article 26 overview
JESG Dec 2020

EBGL Article 26 overview

Article 26 designates Balancing Products as “specific”

Current submission covers Dynamic Containment as an FCR product and STOR & the BM as RR products

5 responses were received from providers covering a range of areas:

Industry Feedback	NGESO Response
Support for DC/STOR/BM as balancing products	Appreciate the on-going constructive discussions
Development of key areas for the soft launch of DC (baselining & locationality)	Will continue to develop these areas as part of the soft launch and appreciate the pro-active engagement from industry
Timing of Article 26 consultation for Dynamic Containment	DC consultation did not follow normal precedent due to short timescales. Information required for Article 26 was in Article 18 consultation and in OFGEMs approval we were requested to run a subsequent consultation
Clarity on use of STOR and BM – how do we ensure we are balancing economically and efficiently between the two?	Provided clarity on the use of STOR and the BM and how we ensure economic and efficient balancing
Concerns around STOR being required as a balancing product as DC and EMN should be sufficient	Provided clarity that STOR is still required as DC is used for a different reason. EMNs are not a balancing tool. Issuing an EMN does not guarantee any change to the market position
Issues around using synthetic inertia	A product being identified by some to be a form of “synthetic inertia” does not preclude their definition or use as specific products for balancing.
Clarity on product roadmaps for the future	Will continue to engage with industry on Frequency Response and reserve through co-creation workshops, webinars and will continue to provide updates via the Forward Plan.



5. Review of 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
117.	JESG to be updated on SQSS and Grid Code Modifications	NGESO	Open	
121	Provide an update on elements of the recast Electricity Regulation: Article 36 – Scope of TSO's Article 35 – Scope of engagement requirement	Bernie Dolan (NGESO)	Open	<p>Article 36 – Scope of TSO's</p> <p>ACER response on 6th April. No comments in regards to IU SOR and Channel CCR. There was a comment around 3rd party non EU TSOs and withdrawal agreement. Participation in the RCC will be dependent on the nature of Brexit deal. (Swiss grid were removed from the proposal due to not being EU) For info, the TSOs of the Central SOR are planning an appeal as ACER merged CORE and SWE into a single SOR.</p> <p>Article 35 – Scope of engagement requirement</p> <p>Proposal for the RCCss was submitted by TSOs to NRAs on 5th July 2020</p> <p>Dependent on EU Withdrawal Agreement.</p>
126	Provide update to JESG on the role of the CMA as acting ACER / Commission and how subsequent changes to Network Codes after 21 June 2020 will be put into effect in GB.	BEIS	Open	

JESG Open Actions

ID	Topic	Lead Party	Status	Update
127	ENTSO(E) membership update in relation to TSO position regarding EU Exit.	Andrew Hemus (NGESO)	Open	During the transition phase, the United Kingdom remains bound by all existing European regulations including obligations contained in Network Codes and the Clean Energy Package. NGESO remains a member of ENTSO-E during the transition phase (ENTSO-E has always had members from outside the EU, and the European Economic Area e.g. Norway, Switzerland, Albania, North Macedonia etc.) therefore the level of future cooperation in ENTSO-E will depend on the UK's future relationship with the European Union and as the EU-UK negotiations on reaching an Agreement become clearer, we will be able to update further.
128.	Provide an update on when the two planned derogation requests under Article 6 of the recast Electricity Regulation (i.e. Article 6.4 & Article 6.9) are to be published.	Claire Huxley (NGESO)	Open	NGESO has submitted derogation requests directly to Ofgem. There is no obligation to publish the requests however NGESO will provide more details in future
131.	GB Interconnectors Capacity Calculation Methodology (NTC) Wider Policy Queries – 4) Better understanding on the potential impact on BSUoS and wider impacts on the wholesale market.	Bernie Dolan (NGESO)	Open	

JESG Open Actions

ID	Topic	Lead Party	Status	Update
132.	Update of the Grid Code changes for ramping as part of SOGL A118/119	Bernie Dolan (NGESO)	Open	
135.	Timing of NGESO submitting it's approval for Dynamic Containment to Ofgem, prior to consulting on it.	Graham Urquhart (Ofgem)	Open	<p>A full response has been provided on 03/11/20 to the detailed question which was submitted to Ofgem on 16/10/20.</p> <p>The response explains that the risks to operational security were deemed sufficiently pressing to warrant the ESO procuring DC as soon as practically possible. The ESO has since published the Winter Outlook which identifies Dynamic Containment as critical to frequency management.</p> <p>A condition of the decision was that the ESO performs a consultation on its proposal for the definition and the use of DC as a specific product.</p>

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 12 January	
Tuesday 9 February	
Tuesday 9 March	

7. Stakeholder Representation

All

8. AOB