

Project update TERRE Implementation Group and market integration testing

11 Dec 2020

Following the open letters to the industry from Ofgem and ESO in November, we would like to update you on progress with preparation for GB participation in the **Replacement Reserve** (RR) market being established by **TERRE**, the Trans-European RR Exchange industry project.

New Implementation Group

As we explained in our [open letter of 18 November](#), establishing the TERRE Implementation Group is a requirement from Ofgem. The Group, to be chaired by ESO, brings together key stakeholders from across the industry to consider and address all outstanding requirements and to develop further plans for implementation.

First meetings

Firstly, thank you to everyone who expressed interest in joining the Group.

The initial meeting took place on Wednesday, 25 November. We have published these outputs on the [RR page](#) of the ESO website:

- [Minutes](#) - accepted by all attendees
- [Slides](#) - covering terms of reference, short-term plan, background, legal position, suggested scenarios and next steps

We had good attendance including representatives from Ofgem, the Government Department for Business, Energy and Industrial Strategy (BEIS), Elexon and, in relation to development of interconnectors, ElecLink and National Grid Ventures (NGV). We were also pleased to be joined by thirteen market participant businesses, both energy providers and software suppliers.

Minutes and slides from subsequent meetings are also being published on the RR page. The second meeting was held on Thursday, 3 December, and the third on Wednesday, 9 December.

An Interconnector working sub-group has also been set up to discuss the more technical operational and commercial arrangements.

Aims of the Group

These can be summarised as:

- Developing a baseline assumption and credible scenarios for GB access to European Union (EU) balancing platforms after transitional arrangements for UK withdrawal from the EU end on 31 December
- Developing new GB implementation plans, integrated across stakeholders, including for delivery of required revisions to the operating protocols and commercial contracts with interconnectors and European Transmission System Operators (TSOs)
- Ensuring that plans are in place and widely accessible by the end of December, and that all parties have clarity on what actions they need to take and when
- Making quick progress against those plans as soon as certainty on the EU position is established

Get involved

We look forward to continuing our collaboration with stakeholders within the Implementation Group. If you have not yet joined either of the groups and would like to, please get in touch using the contact details below.

End-to-end testing

Testing phases to date

Various phases of bilateral testing were completed earlier this year. These phases were followed by joint 'end to end' (E2E) testing, with a first cycle in September and a second being completed successfully on 30 October.

We are grateful for the participation and support of market participant test partners, Elexon, the ElecLink interconnector, the European Libra platform and the French TSO, Réseau de Transport d'Électricité (RTE).

RR bid data were submitted by the test partners, to whom instructions were then dispatched, according to planned scenarios. All major issues were identified, fixed and re-tested. This includes calculation of available capacity for the interconnector, display in the Balancing Mechanism Reporting Agent (BMRA) portal and settlement calculations, validated by Elexon.

We can therefore confirm that we have successfully tested the E2E technical process of submitting RR bids through to dispatching instructions and provision of data to Elexon for settlement.

Future testing

Further observations were captured, and we aim to re-test the E2E process to validate that our systems work as expected with the latest versions of software available next year.

Resumption of development and testing will be guided by the plans developed by the TERRE Implementation Group.

Any questions?

Please contact:

- Your account manager, or
- Our IT programme for TERRE:
box.BalancingProgramme@nationalgrideso.com

Supporting documents

In the meantime, we encourage all interested market participants to review various documents which have been updated or added in recent weeks.

Replacement Reserve

Links to these can be found on the RR page of the ESO website under [Technical Requirements](#):

- [Q&A on TERRE market integration testing](#)
- updated 15 October
- [RR Implementation Guidelines](#)
- link added to the RR page in addition to the [European Network Codes](#) (ENC) page

Dynamic exchange of data

- [Overview of the Wider Access Application Programming Interface \(WA API\)](#)
- published 9 October on the [Balancing Mechanism Wider Access](#) page of the ESO website; the overview describes the solution which achieved Go-Live on 17 September, to enable access to the GB BM and European RR markets, as a cost-efficient alternative to traditional fixed lines for smaller energy providers for Electronic Data Transfer (EDT) and Electronic Logging & Dispatch (EDL)
- [EDL message interface specification](#)
- updated 13 October and found in the 'Specifications for electronic data communications facilities' section on the [Electrical standards documents](#) page of the ESO website