

# Meeting minutes

## GB TERRE Implementation Group

**Date:** 13/01/2021      **Location:** Virtual  
**Start:** 12:00      **End:** 13:00  
**Contact:** box.balancingprogramme@nationalgrideso.com

Minutes and slides for all meetings will be published [here](#).

## Participants

Attendee	Company
Graham Dolamore (Chair)	ESO
David Bowman (Tech-sec)	ESO
Bernie Dolan	ESO
Stefan D'Alessandro	ESO
Tom Ireland	ESO
Catherine Hennigan	BEIS
Rob Selbie	BEIS
Serginio Remmelzwaal	BEIS
Natasha Davidson	CGI
Campbell Roberts	CGI
Raghu Trichinapoly Vijayabhasker	CGI
Tom Edwards	Cornwall Insight
Michael Carrington	ElecLink
Andy Paton	ElecLink
Roger Harris	Elexon
Kate Boon	Engie
Sabina Chaudhary	Engie
Melanie Ellis	Limejump
John Greasley	National Grid Ventures
Alastair Owen	Ofgem

Paul Usher	Quorum Development
Naji Tarhini	RTE
Paul Coates	RWE
Jo Manship	RWE
Mark Hancock	Siemens
Charlotte Johnson	Upside Energy

## Agenda

#	Topics to be discussed	
1.	Welcome and introductions	Graham Dolamore
2.	Review of Trade and Cooperation Agreement	Bernie Dolan
3.	Implementation plans	David Bowman
4.	Next steps and next meeting	Graham Dolamore

## Discussion and details

#	Topics to be discussed
1.	<p><b>Welcome, introductions, agenda and terms of reference</b></p> <ul style="list-style-type: none"> <li>The chair welcomed everyone to the Group and thanked them for their attendance.</li> </ul>
2.	<p><b>Review of Trade and Cooperation Agreement</b></p> <ul style="list-style-type: none"> <li>The ESO summarised its current understanding of the Trade and Cooperation Agreement (TCA).</li> <li>The TCA does not give a clear direction on balancing, with TERRE and MARI not explicitly mentioned. Overall, some general principles are mentioned in the TCA but not the full details.</li> <li>The statutory instruments have removed the obligation to participate in TERRE and MARI.</li> <li>Article 14.3 describes a process to set up a Specialised Energy Committee that will look at balancing in intra-day timescales, which may ask TSOs to prepare technical procedures going forward.</li> <li>Article ENER 19 implies that TSOs may need to develop technical agreements looking at trading in all timescales.</li> <li>The ESO mentioned that Swissgrid (who are a third party) have been asked by the European Commission to leave European platforms by March.</li> <li>Reading across from the day ahead (DA) arrangements, for example that the Euphemia algorithm cannot be used, indicates that using platforms as they currently are is unlikely to continue.</li> <li>Of the scenarios previously discussed, the ESO said that scenarios 3 and 4 had been already ruled out, scenario 2 was ruled out by the TCA and that while scenario 1b may be credible in the longer-term, the Swissgrid and DA precedents suggest it is unlikely now. Therefore, the ESO believes we are in scenario 1a.</li> <li>Question - will we do the CBA on standalone mode as per scenario 1a? Answer - the original CBA indicated €17m benefit per year. If industry agree we will look to do a CBA on standalone mode but it would not include the benefits from accessing replacement reserve (RR) from Europe.</li> <li>Question - is scenario 4 still an option? Answer - yes, and the CBA could help inform this.</li> <li>One participant noted that they did not think TERRE, or an equivalent, would be available soon.</li> <li>Several participants highlighted they felt work should be paused as per scenario 4, given that the TCA seems to prioritise DA arrangements and so any work could lead to resource being diverted or represent a stranded cost.</li> </ul>

- BEIS indicated that letters to all UK and EU stakeholders would be published shortly, instructing them to start implementing the TCA. It is likely that TSOs will need to look at technical arrangements in all timescales but DA arrangements are likely to be a priority. TSOs will be asked to set out reasonable timescales for other changes for consideration by the Specialised Energy Committee.
- Question - how do we decide how to proceed? Answer - the ESO will take an action to see what information is available to inform a CBA and gauge the level of effort that would be required, and report back to the next group. The ESO would lead on the CBA but it would be developed with the input of the group.
- Question - could benefits be delivered, or delivered more quickly, without a TERRE-like mechanism? Answer - yes, and this should be considered in the CBA and factored into decision making. This includes the wider market reforms that the ESO are planning. It is important to ensure reforms do not overlap, otherwise participants may have to choose to participate in one market or another, which would impact the benefits case.

### 3. Implementation Plans

- The ESO will develop a basic CBA plan and methodology and gauge the level of effort that would be required to develop it, and report back to the next meeting.
- If it is decided to proceed with the CBA, the group membership may need to be reviewed or a more technical subcommittee formed.

### 4. Next steps and next meeting

- Next meeting: Wednesday 27 January, 12 noon to 1pm.
- Agenda: discussion around any further clarity received; outline proposals for CBA.

## 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"> <li>• Are the scenarios credible?</li> <li>• Have any scenarios been missed?</li> <li>• Based on the scenarios, when could your organisation commit to implement?</li> </ul>	All	27/11/2020	Closed	25/11/2020
2	Provide comments on the high-level implementations plans for Scenarios 1 and 2	All	04/12/2020	Closed	02/12/2020
3	Provide comments on implementation plans presented	All	11/12/2020	Closed	09/12/2020
4	ESO to publish open letter on group progress <b>Update 19/1 - published on 18/1</b>	ESO	23/12/2020	Closed	16/12/2020
5	Respond to ESO open letter <b>Update 19/1 - any comments on the process or outcomes of the group so far are welcome. Due by next meeting on 27/1</b>	All	27/01/2021	Open	16/12/2020