pp14/10
January 2014 GCRP

nationalgrid

Headline Report

Meeting name	Joint European Standing Group (JESG)
Meeting number	24
Date of meeting	17 December 2013
Location	Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW

This note sets out the headlines of the most recent meeting of the Joint European Standing Group (JESG). The note is provided in addition to the presentations from the meeting which are available on the JESG website[1] and material in the presentations is not duplicated in the report.

1. Issues Log Review

The current version of the issue log for each of the Network Codes being drafted by ENTSO-E is attached to this Headline Report. Issue logs for cross-code issues for drafting and application are also attached.

The priority lists of Stakeholder Key Issues captured during the DECC-Ofgem Stakeholder Workshops for the individual Network Codes which have completed the ENTSO-E drafting can also be found on the JESG website.

2. Grid Connection Network Codes

Requirements for Generators (RfG)

- The RFG Network Code remains in the pre-Comitology phase. A version of the text is being prepared by the Commission and, according to the latest information that they have provided, this is expected to be published in early 2014.
- Subject to the publication of text, a DECC-Ofgem GB stakeholder workshop has been scheduled for 14 January 2014.
- Though mentioned in reference during the ECCAF Update (Agenda Item 5), the detail of the RFG Network Code was not discussed further at this month's JESG.

Demand Connection Code (DCC)

- The DCC Network Code is in the pre-Comitology phase. A version of the text is being prepared by the Commission and, according to the latest information that they have provided, this is expected to be published in early 2014.
- The DCC Network Code was not discussed further at this month's JESG.

HVDC Network Code

- The HVDC Network Code public consultation period opened on 7 November 2013 and will conclude on 7 January 2014.
- A JESG Technical Workshop was held on 11-12 December 2013 to support GB stakeholders' input into the consultation. National Grid's Paul Wakeley presented a summary of the key discussion areas under Agenda Item 4, where areas of focus centred around the broad themes of drafting queries (e.g. missing or inaccurate definitions), queries concerning existing plant (with applicability and modernisation of equipment were highlighted as key issues), scope questions and discrimination concerns. Paul's presentation material can be found on the JESG website.
- Once the consultation window is complete, the ENTSO-E drafters will reconvene and make appropriate changes to the Network Code based on stakeholder comments. In keeping with the prescribed process, ENTSO-E drafting will conclude on 30 April 2014, at which point the HVDC Network Code will be submitted to ACER for their review.

[1] http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/JointEuroSG/

3. Market Network Codes (CACM and Balancing Framework Guidelines)

CACM Network Code

- An "informal" draft of the CACM Network Code was published by the European Commission on 22 November 2013. National Grid provided interested parties with a document outlining changes made since the publication of the final ENTSO-E version of the CACM Network Code (dated 27 September 2012).
- Based on the latest information provided by the European Commission, the "formal" draft of the Network Code is expected in March 2014.
- DECC and Ofgem chaired a joint workshop on CACM following the JESG meeting on 17 December 2013, with a view to capturing stakeholder views on the revisions made to the Network Code. The outputs of the session will be captured on the JESG website.

Forward Capacity Allocation Network Code

- The FCA Network Code was submitted to ENTSO-E on 1 October 2013. ACER will now have three months in which to review the code and develop a formal opinion.
- The ACER opinion on the Network Code will be shared with the JESG early in 2014.
- The FCA Network Code was not discussed further at this month's JESG.

Electricity Balancing Network Code

- Drafting of the Balancing Network Code continues following the public consultation window, which ran from mid-June to mid-August 2013. The Network Code is due to be submitted to ACER by 31 December 2013.
- Paul Lowbridge outlined changes made to the Network Code. Following stakeholder input during the consultation window, areas of change included target models, the ability for TSOs to delegate any function in the Network Code to a Third Party (not limited to Imbalance Settlement), reservation of cross-border capacity and procurement of balancing reserves (with procurement within a Relevant Area and a Coordinated Balancing Area clearly distinguishable). More recent changes include references to *Balancing Reserve* within the Network Code now reading *Balancing Capacity*, the extension and merging of Coordinated Balancing Areas and a distinction between regional and European target models. Paul's presentation material can be found on the JESG website.
- It was noted that a DECC-Ofgem stakeholder workshop will take place on 23 January in London to support the development of the ACER opinion on the Balancing Network Code.

4. System Operation Network Codes

Operational Security (OS) and Operational Planning and Scheduling (OP&S) Network Codes

- On 12 November 2013, ACER published its recommendation for the adoption of the OS and OP&S Network Codes, following the resubmission of both Network Codes to ACER on 24 September.
- Both Network Codes will now pass on to the Comitology phase for consideration by the European Commission.
- The OS and OP&S Network Codes were not discussed further at this month's JESG.

Load-Frequency Control and Reserves (LFCR) Network Code

- On 1 October 2013, ACER published its recommendation for the adoption of the LFCR Network Code.
- The Network Code will now pass on to the Comitology phase for consideration by the European Commission.
- The LFCR Network Code was not discussed further at this month's JESG.

5. Update on European Code Coordination Application Forum (ECCAF)

- Paul Wakeley, Technical Secretary of ECCAF, delivered an update presentation to the JESG after the first ECCAF meeting on 21 November 2013..
- Attendees were reminded that ECCAF will consist of representatives from each of the seven GB code panels and will seeks to advise the Code Panels on matters of coordination of application of European Network Codes to GB Codes, though holding no firm legal or governance role per se. The Code Panels will still retain their responsibilities for making changes to the GB Codes via normal governance.
- After DECC and Ofgem had indicated that their wishes the members of ECCAF to appoint the Chair at their first meeting, Barbara Vest was duly elected.
- The membership of ECCAF consists of:

  - Barbara Vest (EnergyUK – Chair)
  - Paul Wakeley (National Grid – Technical Secretary)
  - Jim Barrett (Centrica – Grid Code Review Panel representative)
  - Joseph Dunn (SPT – STC Panel representative)
  - Garth Graham (SSE – CUSC Panel representative)
  - Carole Hook / Bec Thornton (National Grid)
  - Mike Kay (ENWL – D-Code Review Panel representative)
  - Fiona Navesey (DECC)
  - Abid Sheikh (Ofgem)
  - Peter Waymont (UK Power Networks – DCUSA Panel representative)

  The SQSS have yet to nominate a representative, while the BSC Panel are invited to appoint another member to the ECCAF Panel after Barbara Vest's appointment as Chair.
- Paul summarised a presentation delivered by DECC at the ECCAF meeting on the overall approach to implementation, highlighting that there were four 'implementation instruments' which could be deployed for making changes to the GB industry framework, in order of preference:
  - Modification to existing GB Codes using the standard code modification process, led by National Grid and other Code Administrators;
  - Changes to access rules, led by Ofgem;
  - Changes to licences, led by DECC and Ofgem;
  - Legislation, led by DECC (as a last resort).
- A summary of the discussion of options for implementing the RfG requirements across the Grid Code and Distribution Code was also delivered. A joint DCRP/GCRP Workgroup on RFG Implementation has been formed to consider two aspects – the choice of national parameters, and the overall structure of the implementation. It was noted that this workgroup is open to any interested parties who wish to participate.
- Garth Graham of SSE delivered an overview of the paper that had been presented at ECCAF to stimulate debate on the way that application and implementation of the Europe Network Codes could be done in GB. At the core of the strawman concept is that, rather than making changes to existing GB Codes, European Requirements would be placed in a suite of new GB Codes. Over time, the expectation is that existing GB Codes would be superseded by the new versions. This presentation prompted informal discussion among attendees as to the benefits and potential challenges of such an approach.

6. ACER Guidance on the Evaluation of Network Code Amendment Proposals

- A presentation was given by Ofgem's James Earl to provide insight into the evaluation of Network Code amendment proposals, in line with JESG Action 145.
- In short, this ACER Guidance outlines two different procedures to evaluate Network Cpde amendment proposals received by stakeholders. The first procedure sees amendment proposals evaluated as part of a five-year review conducted by ACER. All non-urgent proposals from the previous 5 year period are addressed together. Once ACER has considered the formal and legal admissibility of proposals, and whether the proposer is an 'interested party, the Agency will assess the extent to which the amendments are 'consistent with the objectives of the network codes', before opening a formal consultation period of at least four weeks. A reasoned proposal, along with the relevant draft impact analysis and ENTSO opinion, is then submitted to the European Commission for approval.
- The second review procedure is devoted to ad-hoc NC amendments, which are either urgent or require priority. The same procedure is followed as in the periodic review, including the

public consultation, albeit with shorter deadlines. This procedure aims to be flexible and could be executed at any time to allow the Agency to react to changing market circumstances.

- James' presentation material can be found on the JESG website.

7. ENTSO-E Update: TYNDP, Projects of Common Interest & An Insider's Guide to ENTSO-E

- Chris Thackeray, undertaking a secondment to ENTSO-E as part of the National Grid Graduate Development Programme, delivered a presentation covering the internal structure of ENTSO-E and his experience of working in its fast-paced and culturally-diverse environment.
- Tom Ireland, of National Grid, provided attendees with insight into the development of the Ten Year Network Development Plan (TYNDP), which is designed to increase information and transparency regarding the investments in electricity transmission systems which are required on a pan-European basis and to support decision-making processes at regional and European level. Released every two years, the 2014 release will include six Regional Investment Plans and a System Outlook and Adequacy Forecast (SOAF) alongside the Europe-wide development plan which formed the core of the first TYNDP in 2012.
- A summary of Projects of Common Interest (PCI) was also provided. A PCI is a transmission or storage project that benefits two or more member states and the advantages of holding such a title can include faster permitting, regulatory assistance and financial support. At the request of attendees, Chris outlined the selection process and application process for becoming a PCI.
- GB stakeholders expressed a desire to see ENTSO-E become more transparent with its processes and principles and stated that much more could be done by the central group to embrace stakeholders. Tom Ireland commented that this is an area in which ENTSO-E is keen to improve.

8. Forthcoming events/workshops

Please refer to the calendar on the JESG website:
http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/JointEuroSG/

Details of forthcoming JESG events and relevant public events for ENTSO-E, ACER and Ofgem are listed in the calendar and available on individual websites:

- ENTSO-E: https://www.entsoe.eu./resources/network-Network Codes/
- ACER: http://acer.europa.net
- Ofgem: http://www.ofgem.gov.uk/Europe/stakeholder-group/Pages/index.aspx

9. Next meeting

The next scheduled meeting for the JESG is 14 January 2014 at Elexon, London. Further details will be included in the draft agenda for the meeting.

The actions log and issues logs follow this report.

Generic Issues Log

Issue No	Issue
1.	How do the Network Codes align with the individual Framework Guidelines?
2.	Concerns over the mechanism for the publication of data under REMIT
3.	The potential for different definitions of significant across Network Codes
4.	The implementation of the RfG could conflict with CACM as they are at different stages in the Network Codes process
5.	What is contribution of each Network Code to resolve issues? Need a strategic view of the Network Codes but not sure which is the best place to do this.
6.	How is consistency and interoperability being ensured across the Network Codes?
7.	Can the final Network Code to be produced be used to correct errors / inconsistencies in earlier Network Codes?
8.	What is the expected frequency for changes to the Network Codes once implemented? The minutes of the Operational Security Network Code Public Workshop (20/4/12) indicate that a 'frequency of 4-5 years' 'might be needed'.
9.	There should be a general clause in each of the Network Codes to require consultation and NRA approval for elements which are to be defined after the Network Code has entered in to force. Such a condition has been included in the CACM Network Code.
10.	The definition of TSOs in the Network Code may lead to ambiguity due to the certification of additional companies in GB as TSOs (e.g. Interconnectors and OFTOs)
11.	There are various data and information flows defined in various Network Codes which are not obviously consistent. This remains a major concern for the Industry due to changes to processes and infrastructure that will be required to provide this data.
12.	What happens when notifications are provided to the TSO / Relevant Network Operator. Does the TSO have a duty to act upon the notifications? What if they do not comply?
13.	The contractual / market impact of demand side response for domestic customers has not been considered. The DCC and LFR&C Network Codes both deal with capability without outlining how the market will work in practice. Who is the most appropriate part in the UK to have a relationship with the customer for demand side response.
14.	Supplier may be moved to an 'out of balance' position by demand actions taken by the Aggregator / DSO / TSO. This impact on the balancing arrangements will need to be considered.
15.	There are different definitions for 'Significant Grid User' in a number of the Network Codes, so the applicability of the Network Codes to individual users is not clear.
16.	If the term 'Transmission Connected' is used within the Network Codes this will led to discrepancies within Europe and within the UK, and there is no single voltage above which Networks are considered Transmission (e.g. within GB, Transmission in Scotland is at or above 132 kV, whilst in England and Wales it is at or above 275 kV)
17.	There are various different terminologies for geographic areas used in the Network Codes. It is not obvious what each definition refers to and this leads to confusion. Examples are bidding zone, control area, responsibility areas, observability area, LFC control area, member state etc.
18.	The Cost Benefit Analysis methodology considers socio-economic often on a pan-European basis. There is a concern this will lead to one member states constantly subsidising another member state, or one market party being unduly affected (such as GB merchant Interconnectors).
19.	**Common definitions.** A working group has been established by ENTSO-E to look at definitions across the Network Codes. It is understood that while common definitions are desirable the same term could be defined differently in different Network Codes. Consideration is be to be given to the establishment of a separate cross-codes definitions document.
20.	**Alignment of requirements and payment.** There is a need to ensure that requirements specified in one Network Code, and the payment mechanisms outline in the Balancing Network Code are aligned so that services are delivered recompensed on the same timescales.

GB Application / Implementation Issue Log

Issue No	Issue	NGET View
1.	Implementation: Can areas of the GB Network Code be changed to comply with the ENCs be modified through the normal GB governance arrangements, provided it does not affect compliance with the ENCs?	Governance arrangements of GB Codes are not expected to change by implementing the ENCs. However, GB must demonstrate compliance to the ENCs or risks being found in breach and fined.
2.	How do the definitions in the Transparency Regulation, expected to become law as an Annex to Regulation 714/2009 prior to any Network Code, interact with those in the Network Codes? Do the definitions in the Transparency Regulations have primacy over those in the Network Codes?	Once published in the OJEU, the definitions became law. The Transparency Regulation have been published are Regulation 543/2009 amending Annex I of Regulation 714/2009. The interaction of future definitions is not yet fully understood.
3.	How will the changes to the GB Framework be made as a result of the European Network Codes, for example, will existing structures (panels etc.) be used where possible, or will third package powers be used to make changes via the Secretary of State?	It is expected that existing standard Code Governance will be used where possible, however, Ofgem have powers to make changes to the GB Codes to ensure compliance with European legislation.
4.	Further details of the modification process for GB Codes as a result of the ENCs need to be defined, for example, how will raise modifications, can alternatives be proposed etc.	Noted.

JESG Actions

Standing Actions

Action No	Action	Lead Party
S1	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
S2	Engage with DECC and Ofgem to ensure appropriate and timely input can be provided from GB Stakeholders in to the Comitology process.	JESG Chair
S3	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair
S4	Provide update on future Network Codes and incentives being developed as and when appropriate.	NGET/Ofgem/DECC
S5	If required by the Commission, facilitate an industry-wide read-through of the Network Codes once they are released by the Commission . (formerly Open Action 135)	JESG Chair/Ofgem/DECC
S6	Stakeholders are requested to provide specific example of inconsistent or problematic definitions in the Network Codes to Ofgem (reuben.aitken@ofgem.gov.uk) and DECC (will.francis@decc.gsi.gov.uk). (formerly Open Action 140)	All

New and Open Actions

Action No	Action	Lead Party	Status	Update
138	Consider the need for how to best capture stakeholders' most recent priority issues before and during the Comitology process, in particular for the RFG, DCC and CACM Network Codes as the codes develop in the pre-comitology phase.	DECC	Open	Workshops have been scheduled for CACM (Dec), RfG (Jan) and DCC (Feb). Feedback from these sessions will support the enduring approach to capturing stakeholder issues in the Comitology stage.
146	National Grid to provide JESG members with insight into the Balancing Network Code pilot projects as mentioned in December's JESG.	NGET	Open	National Grid will deliver a presentation to the JESG informing them on the purpose of and progress made in the pilot projects.

Recently Closed Actions

Action No	Action	Lead Party	Status	Update
139	When appropriate, circulate the 'Implementation guidance document' being prepared by ENTSO-E for the RFG Network Code	NGET	Closed	Grid Connection Codes Implementation Guidelines published in JESG Weekly Update on 25 October 2013.
142	National Grid to produce a signposting document, offering a layman's guide to European Network Code development to aid industry parties in understanding the Network Codes.	NGET	Closed	A draft of the document has been developed, and will be published on the JESG website imminently.
145	Ofgem to provide an overview on the ACER's approach to evaluating Network Code amendment proposals	Ofgem	Closed	James Earl of Ofgem to provide an overview at December's JESG

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Balancing Network Code

Last updated: 8 August 2013

This issue log has been created to capture the key issues raised by GB stakeholders during the JESG Technical Workshop on the Network Code held on 6/7 August 2013.

Issue No	Key Issue	Summary	Examples / Points of reference
1.	**Definitions**	It was suggested that ENTSO-E should provide a consolidation of all definitions used across the nine Network Codes, while it was suggested that a number of terms in the Balancing Network Code require further clarification/elaboration.	**Article 8 –** Cross Zonal Capacity Reservation needs defining. **Article 14** – Role of Balance Responsible Party requires further elaboration (possibly to include references to Article 16).
2.	**Grammar & Terminology**	Main concerns included the articulation of, and syntactical issues around, key concepts in the Network Code and housekeeping queries.	**Article 15** – Incorrect numbering of paragraphs **Article 16** – Inclusion of comma before the phrase "where applicable" implies that the specificities of Central Dispatch should be accounted for as standard. **Article 21** – Is "best endeavours", rather than "reasonable endeavours", the correct term to be used?
3.	**NRA Approval**	There are a number of instances in the Network Code where the need for NRA approval should be clarified. In principle, all items which are left to the TSOs to determine after the Code has entered in to force should be subject to NRA approval. Furthermore, dispute resolution methodologies are not set out when required.	**Article 25** – Should the submission of pricing methodologies be to Agency or NRA (as stated in Article 7)? **Article 34** – Definition of settlement mechanisms. **Article 44 –** Dispute methodology required when Ramp Rate Process is not agreed unanimously.
4.	**Remuneration**	Stakeholders expected more detail on compensation and payment mechanisms in the Balancing Network Code to provide the renumeration mechanism for capabilities required in other Network Codes.	See references to remuneration in other Network Codes (e.g. Requirements for Generators, Demand Connection Code).
5.	**Designated Entity**	There is a need to ensure that the option for TSOs to delegate tasks is extended to cover all suitable activities, and to ensure current GB activities are able to continue (e.g. Elexon being the Balancing and Settlement	**Article 11** – Enables tasks pursuant to Chapter 5 Section 4 to be undertaken by a designated authority. Should this be extended to cover the broader balancing mechanism, rather than just imbalance settlements? **Article 14** – Modifications of the Position should be able to be

		company).	submitted to a Designated Entity as well as a TSO.
6.	**DSO Impact**	The Network Code places obligations on Distribution System Operators. There is a need to ensure such obligations are appropriate and proportionate.	**Article 12** – Article provides a summary of key DSO activities as set out by the Balancing Network Code.
7.	**Treatment of merchant interconnectors**	Clarification is needed on how merchant interconnectors can operate under the provisions of the Balancing Network Code.	**Article 30 –** Clarification needed on the prohibition of additional charges for the use of Cross Zonal Capacity for Exchanges of Balancing Energy.
8.	**Publication of data**	More stringent requirements would be preferred around the frequency and content of publications.	**Article 8** – No timescales are offered for the TSO's publication of information regarding Specific Products. **Article 57** – Given that the annual report's requirements are clearly set out, why is there an option to publish a "simpler" version every second year?
9.	**Impact on existing arrangements**	The Network Code states that it will apply to all existing arrangement related to Electricity Balancing.	**Article 58** – How would the application of the Network Code take place?
10.	**Application questions**	A number of questions were raised that will require consideration when the Network Code is applied to the GB Framework.	- Currency complexities (e.g. conversion, pay-as-bid or pay-as-cleared) - Can a product defined as a Standard Product in one Coordinated Balancing Area be a Specific Product in another CoBA?

The following issues were captured at JESG meetings, prior to the 6/7 August JESG Workshop and may relate to an earlier version of the Network Code.

Issue No	Issue	NGET View
11.	There is a need to understand the implication of the Framework Guidelines on the current GB market and ongoing changes.	Now the Framework Guidelines have been finalised, the Network Code is being developed. Once the requirements in the Network Code become clearer, it will be possible to determine further the implications for the GB market.
12.	Which definition of 'Control Area' is the Balancing Network Code expected to be used. Is it the market definition in CACM, or the technical definition in LFR&C, as the Balancing Code interacts with both of these Codes.	Drafting is at an early stage, and consideration will be given by the Drafting Team to ensure the appropriate definitions are used in the Balancing Network Code.

Issue No	Issue	NGET View
13.	**Recompense for services in other Network Codes.** The Balancing Network Code sets out a high-level mechanism for payment through balancing service providers such as aggregators. Whereas the DCC places obligations on individual domestic consumers. There is a perceived mismatch between the obligations (placed on individuals) and the compensation (placed on aggregators).	DCC sets capability and Balancing provides mechanism for recompense. This does not appear to be a mismatch.
14.	**Merchant Interconnectors.** The merchant model for GB Interconnectors needs to be represented in the Balancing Network Code. Capacity on a merchant interconnector has a value to the owner and this should be reflected in any decision to curtail or use capacity though this Network Code.	The code has been drafted on the basis that what is not prohibited is allowed. NGET is a member of the drafting team and is representing itself. Opportunity for all stakeholders to engage with the development of the Code will form part of the development process for the Network Code, in particular during the public consultation.
15.	**Imbalance calculation.** The imbalance calculation in the Network Code may be different to that in the current GB market, which would have implications for GB as it provides different signals to market parties. GB Energy imbalance = Contracted & vs. Metered Volume (physical imbalance) Balancing NC calculates Imbalance Volume from Allocated Volume and notified Position – it's not clear this is consistent with GB practice (e.g. it could be interpreted as something more akin to GB Information Imbalance)	TBC
16.	**Coordination Balancing Areas (CBA).** What is the timescales for the determining the CBA.	Formally, the Network Code states that they will be determined after entry into force. However, through the ENTSO-E pilot project, we would expect initials views to be formed fairly soon and prior to the code's entry into force. Coordination Balancing Areas are now referred to as CoBAs to avoid a conflict of acronyms.

HVDC Issues Log

Last updated: 18 September 2013
New Items are marked in grey.

Issue No	Issue	NGET View
1.	Why do the requirements for PPMs only extend to those connected Offshore? There is potential for Onshore PPMs to be connected only via HVDC	Drafting is at a very early stage and consideration of this and other issues will be taken by the drafting team. Onshore HVDC connected PPMs are now included
2.	How will a small island be considered, if it is connected to the Synchronous Area only by HVDC? In the extreme case, GB is an island connected via HVDC to the European Synchronous Area, so a form of words need to be found to ensure requirements are placed on the right parties	Drafting is at a very early stage and consideration of this and other issues will be taken by the drafting team. The Code is drafted to place technical requirements on HVDC, irrespective of who the owner is. The issue of TSO owned HVDC and obligations, responsibility for ensuring compliance, etc is tied in with the definition of "TSO"; this is still being addressed by the LRG to get a harmonised approach to all Codes. It may be necessary to define "island" and "synchronous area" appropriately so as to capture this issue.
3.	Consideration needs to be given to the various configurations of PPMS and HVDC networks, to ensure that obligations are fair and transparent.	Drafting is at a very early stage and consideration of this and other issues will be taken by the drafting team. All obligations and responsibilities will be fair and transparent irrespective of ownership (see above comment)
4.	The code needs to deal with situations where the configuration of the HVDC changes, e.g. if a link previously connecting different synchronous areas becomes an embedded link if a parallel AC line is added.	Drafting is not expected to preclude changes or new configurations. The Drafting Team is aware of potential configuration changes; this issue will be addressed.
5.	If the Code is written to the technology non-specific, there is a risk that some of the functionality of certain technologies may not be fully utilised.	Being technology non-specific means the Code does not preclude future technologies. The Code is a minimum requirement so additional items, provided they are compatible with the Code, are permitted. Technology neutrality is on the Agenda; it is recognised that capabilities of particular technology should not be ruled out. While there is EU pressure to harmonise requirements, certain requirements may have to be left to the local TSOs to specify.

Issue No	Issue	NGET View
6.	The added services required by the Code could make merchant Interconnectors less viable. The GB merchant model is designed for the transfer of Active Power, the draft specification for HVDC NC goes beyond this.	The Code can apply retrospectively depending on the decision by the NRA according to the provisions on retrospective application. For Interconnectors in development, transitional arrangements will be specified in the Code, similar to RFG and DCC. The code is not tasked with the provision of "added services" – just capabilities. Some of these capabilities, e.g Frequency Response, can be met with little or no extra cost. These capabilities can enable HVDC to offer "added services" for which presumably merchant Interconnectors may agree commercially to provide to the relevant TSOs