Headline Report

Meeting name	Joint European Standing Group (JESG)
Meeting number	28
Date of meeting	20 August 2014
Location	Shepherd & Wedderburn, 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL

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 Generic Issues Log and the GB (Network Codes) Application/Implementation Issues Log follow the Headline Report.

2. Grid Connection Network Codes

Requirements for Generators (RfG)

- No further information has been issued by the European Commission on the progress of RFG through the Comitology process.
- No further update on RfG was provided at the meeting.

Demand Connection Code (DCC)

- No further information has been issued by the European Commission on the progress of DCC through the Comitology process.
- No further update on DCC was provided at the meeting.

HVDC Network Code

- Natasha Smith (Ofgem) provided an update on ACER's Reasoned Opinion on the draft of the Network Code received from ENTSO-E. The Code was submitted to ACER by ENTSO-E in April 2014.
- ACER has decided the Network Code is in line with the Framework Guidelines and so has recommended it for adoption by the Commission.
- ACER has however recommended some minor areas of the Code for improvement, including clarifying who the requirements fall upon, improvement of the supporting documentation, and aligning cross-code provisions with the other Connection Codes.

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

Capacity Allocation and Congestion Management Network Code (CACM)

- Peter Hicks (Ofgem) hosted a round table prioritisation session to gather stakeholder concerns with the current drafting of the CACM Network Code.
- The main issues identified by the stakeholders in attendance were:
  - Bidding zone review clarity and frequency
  - Clarity of drafting, including inconsistencies, errors and poor drafting
  - Governance: roles and responsibilities, and the amendment process
  - Capacity firmness rules: level of risk for merchant interconnectors
- Jon Robinson (DECC) provided a draft CACM Implementation Paper, which will be circulated to stakeholders.
- Further information will be circulated by DECC and Ofgem, via the Weekly Update email.

[1] http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/Joint-European-standing-group/

Forward Capacity Allocation Network Code (FCA)

- No further information has been issued by the European Commission on the progress of FCA through the Comitology process.
- No further update on FCA was provided at the meeting.

Electricity Balancing Network Code

- Eleanor Brogden (NGET) provided an update on the drafting of the Balancing Network Code.
- ENTSO-E has received comments on the draft of the Code from ACER and the Commission. It has been highlighted that there are many regional variations in how balancing takes place, but these are due to technical reasons.
- Several stakeholders raised the concern that publishing the volumes of standard and non-standard balancing products used by TSOs may be of interest to Member States and NRAs.
- There will be a TSOs meeting on Project TERRE on 17-18 September; NGET will consider how to best capture stakeholder views ahead of the meeting.

4. System Operation Network Codes

- Operational Security (OS), Operational Planning and Scheduling (OP&S) and Load-Frequency Control and Reserves (LFCR) Network Codes.
- The Commission wants the System Operation Network Codes to remain as *Network Codes* as opposed to becoming *Guidelines*, however it expects that some redrafting and further detail will be required for this to happen. ENTSO-E has been asked to provide updates to these Codes by the end of September
- The OS, OP&S and LFCR Network Codes were not discussed further at this month's JESG.

Emergency and Restoration Network Code (ER)

- The ER Network Code is currently being drafted by ENTSO-E and is due to be submitted to ACER no later than 1 April 2015.
- Rob Wilson (NGET) provided an update to JESG on the drafting of the Network Code, which includes both a System Defence Plan, and a System Restoration Plan. The Defence Plan will be designed so that SO actions can avoid wider system disturbance, and the Restoration Plan will direct how to return the system back to normal state as soon as possible after a disturbance.
- GB priorities are to maintain the exiting level of security of supply in GB, and also to increase the number of services available over interconnectors.
- The Code is expected to be issued for public consultation in September/October 2014. As part of the consultation, there will be an ENTSO-E public workshop in Brussels on 22 October. This will be followed up by a GB ER Network Code session in early November (to be organised through JESG, details TBC).

5. Project TERRE Update

- Eleanor Brogden (NGET) provided an update on progress in the Balancing Pilot Project TERRE.
- The operational and commercial frameworks are still yet to be defined.
- Olaf Islei (APX) raised the issue that there may be possible interactions between TERRE and the Balancing Network Code and the GB Capacity Mechanism.
- Timescales remain unchanged from the previous update to JESG, as little progress has been made over the summer.
- NGET will undertake GB stakeholder engagement through JESG. This will include a method of gathering GB stakeholder issues ahead of the next (TSO only) TERRE workshop on 17-18 September.

6. ECCAF Update

- Paul Wakeley (NGET) presented the update from the ECCAF teleconference on 26 June.
- Progress has slowed due to uncertainty on the progression of the Network Codes through Comitology. A high level review has however been undertaken to map the current versions of the Network Codes to the seven various GB Codes affected.

- The next ECCAF meeting is scheduled for 25 September at Elexon in London.
- Further details are published in the ECCAF Headline Report[2].

7. AOB

- *None*

8. Forthcoming events/workshops

Please refer to the calendar on the JESG website:
http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/Joint-European-standing-group/

Details of forthcoming JESG events 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 15 October 2014 in London. Further details will be included in the draft agenda for the meeting.

The actions log and issues logs follow this report.

[2] http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/ECCAF/

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.
21.	Consideration by Ofgem to be made on whether to reconvene the former FUI (France-UK-Ireland) regulatory group, or potentially set up a new GB regulatory balancing group, as a means to engage with stakeholders.

GB Application / Implementation Issues 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 Action Log

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 examples 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
S7	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

New and Open Actions

Action No	Action	Lead Party	Status	Update
152	Arrange another stakeholder group workshop on RfG Network Code following publication of the next draft.	NGET/DECC/Ofgem	Open	Awaiting new RfG draft
157	What are the arrangements for stakeholder engagement in TERRE and/or the Balancing Network Code: • Will stakeholders be consulted on Balancing Code amendments? • Will there be a GB TERRE group? Will CBAs be published to stakeholders?	NGET	Open	
158	What products and what gate closure time will Project Terre use?	NGET	Open	
159	Report to JESG on ACER's opinion on having both firm and no-firm transmission rights on the same TSO border	Ofgem	Open	Clarify if it traders will have the option to buy rights to just firm or non-firm rights, or for both types.
161	Review the issues logs for the Network Codes that are published on the JESG website	DECC/Ofgem/NGET	Open	Material published on the JESG website needs to be reviewed to assess accuracy/relevance.
163	Invite Simon Reid (GB ENTSO-E Balancing Pilot Project Stakeholder Representative) to a future JESG meeting to provide an update on the Balancing Pilot Projects.	NGET	Open	

164	Consider if there should be an obligation to publish the volumes of standard/non-standard balancing products used by the SO.	DECC/Ofgem	Open	
165	Consider how to capture stakeholder concerns ahead of the 17-18 September ENTSO-E Project TERRE workshop.	NGET	Open	
167	Schedule a stakeholder workshop on the ER Network Code	NGET	Open	

Recently Closed Actions

Action No	Action	Lead Party	Status	Update
156	Report to JESG who from GB is on the ENTSO-E Balancing Pilot Project Stakeholder Group	NGET/BV	Closed	Simon Peter Reid (Scottish Power)
160	Circulate details of the ACER Public Workshop on REMIT in the JESG weekly update	NGET	Closed	Circulated 20 June 2014
162	Consider creating a single issues log with all the issues from every code in one place	DECC/Ofgem/NGET	Closed	New issues log presented at August JESG, to be updated and published on the JESG website shortly.
166	Advise JESG of the deadline for responses to the ENTSO-E TYNDP 2014 consultation	NGET	Closed	20 September 2014

List of JESG Attendees on 20 August 2014

First Name	Surname	Organisation
Reuben	Aitken	DECC
James	Anderson	Scottish Power
Brian	Barrett	NorthConnect KS
Richard	Blanchfield	NorthConnect KS
Eleanor	Brogden	NGET
Will	Francis	DECC
Garth	Graham	SSE
Peter	Hicks	Ofgem
Olaf	Islei	APX
Will	Kirk-Wilson	NGET
Hakon	Korvald	NorthConnect KS
Martin	Moran	National Grid Interconnectors Ltd
Paul	Mott	EDF Energy
Lorcán	Murray	BritNed
Paul	Neilson	SHE Transmission
Guy	Nicholson	Element Power
Ryan	Place	Elexon
Matthew	Ramsden	Ofgem
Jonathan	Robinson	DECC
Rui	Rui	Iberdrola
Richard	Sarti	Nord Pool Spot (N2EX)
Tom	Selby	NGET
Natasha	Smith	Ofgem
David	Spillett	ENA
Helen	Stack	Centrica
Cem	Suleyman	Drax
Esther	Sutton	E.ON
Barbara	Vest	Energy UK
Paul	Wakeley	NGET
Rob	Wilson	NGET
Janet	Wood	New Power
Chuan	Zhang	The Crown Estate