

## Headline Report

**Meeting number:** Meeting 7

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**Date of meeting:** Tuesday 20 October

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**Location:** Elexon, London

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This note sets out the headlines from the latest meeting of the Joint European Stakeholder Group (JESG) and is provided in addition to the presentations from the meeting which are available on the JESG website<sup>1</sup>. The material in the presentation is not duplicated in this report.

If you have any queries in relation to the content of this report, please email the JESG Technical Secretary Franklin Rodrick [europencodes.electricity@nationalgrid.com](mailto:europencodes.electricity@nationalgrid.com)

### 1 JESG Actions Review

- The Technical Secretary noted the JESG Standing Actions and updates on current actions. The current version of the JESG action log, including any additions from this meeting, is [attached to this Headline Report](#).

### 2 Grid Connection

#### Requirements for Generators (RfG), Demand Connection Code (DCC), High Voltage Direct Current (HVDC)

- Each of these have now been approved by the Cross-Border Committee. These will now proceed to the formal approval of the Council and Parliament before being published in the Official Journal of the European Union (OJEU) and enter into force in Q1/Q2 2016.
- The DCC Network Code was adopted by the Member States on 16 October.
- The HVDC Network Code was adopted by the Member States on 11 September.
- Two new workgroups have been established to carry out GB implementation of the DCC and HVDC Network Codes. GC0090 has been established under the Grid Code Review Panel for HVDC, and GC0091 has been established jointly under the Grid Code Review Panel and Distribution Code Review Panel for DCC.

### 3 Markets

#### Capacity Allocation and Congestion Management (CACM)

- The CACM Guideline was published in the OJEU on 25 July and entered into force on 14<sup>th</sup> August, and is officially referred to as "Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management". As an EU regulation it takes precedence over any Member State laws or requirements, and also where there is conflict between the Regulation and the law of Member States, the Regulation prevails and the conflicting national provisions will be disregarded.
- The FCA code is currently being discussed in Comitology by the Member States. The Commission's ambition is to vote on it in the next Cross Border Committee meeting on 29/30 October.
- The EB Network Code is currently with the Commission post ACER's qualified recommendation. Following the Energy Union communication and associated market design work, the Commission has indicated that the EB Network Code Comitology will be deferred until 2016.

### 4 System Operation

#### Operation Security (OS), Operational Planning and Scheduling (OP&S) and Load Frequency Control Reserves (LFCR)

- The Network Codes have been merged to form one Guideline. The Commission is expecting to discuss this before the end of the year with a vote shortly afterwards.

#### Emergency and Restoration (ER)

- ACER has recommended the network code to the Commission subject to some amendments. Following the Energy Union communication and associated market design work, the Commission has indicated that the ER Network Code Comitology will be deferred until 2016.

<sup>1</sup> <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/European-network-code/Joint-European-Stakeholder-Group/>

## 5 Feedback from ACER Market Stakeholder Committee

- Steve Wilkin (Elexon) updated on the kick-off ACER- ENTSO-E Market European Stakeholder Committee (Market ESC) meeting which took place on 29<sup>th</sup> September. The purpose of the meeting is to discuss the implementation of the three Market Codes.
- Steve explained the Terms of Reference for the Committee meeting. Stakeholders raised a concern that not publishing the minutes from the meeting until the next meeting is not the right process. However, a fair balance needs to be found between the timely publication and the need for Market ESC participants to feel comfortable with their content.
- Stakeholders raised a concern that there should be separate Committees for separate codes as people may not be interested in the other codes. With separate Committees the expert for individual codes can be at the meeting which will make the meeting more focussed.
- Steve highlighted that national issues are not part of this Committee and only European issues will be discussed. Stakeholders questioned that if the local and regional questions cannot be raised at the Committee meeting then where can the questions be raised.
- Natasha Smith (Ofgem) said that the JESG is a useful forum for stakeholders to discuss national issues and to identify those which have the potential of becoming pan-European ones and thus shall be escalated to the Market ESC.
- Committee Meeting agenda and presentations can be found on the ENTSO-E [website](#).

## 6 Update on JESG meetings and locations

- Bec Thornton (NGET) advised the group that NGET are concerned about the cost of room bookings but are happy to facilitate the meetings at different locations.
- Stakeholders were advised that the Scottish government are happy to host the meetings for free and were advised to check the availability for the meetings and discuss at the next meeting.
- Stakeholders suggested that the NGET Customer Seminar in March could be potentially used as the JESG meeting. NGET will have to check internally first before committing to hold the JESG meeting.

## 7 Cross Border Committee meeting update

- Elena Mylona (DECC) gave an update from the Cross Border Committee meeting held on the 15/16 October. The key points from the meeting were:
  - DCC Code was unanimously adopted. The Code has ended on an acceptable format. Now it will be translated before entering scrutiny of the European Parliament and the Council.
  - The Commission has shown an intention of voting on the FCA Code in the Cross Border Committee meeting on the 29/30 October. A new version of the Code has been circulated ahead of the meeting and stakeholders are invited to give their comments by close Friday 23 October.
  - The Commission expects the System Operation Guideline will be discussed before Christmas and will be voted on in the New Year.

## 8 Florence Forum update

- Elena Mylona (DECC) gave an update on the Florence Forum which was attended by Sue Harrison from DECC.
- It was a 2 day event and on the first day a lot of time was spent on the Energy Market Design. This was followed by a short session on Capacity Mechanisms with Member States setting out their positions.
- The second day was focussed on the Codes with updates on implementation and pilot projects. European Commission (EC) was pleased with how pilot projects are progressing but pilot projects should not be extended to non-members half way through as it could delay the implementation.
- EC would try to do a lot more at the regional level e.g. Capacity Calculation in as big regions as possible.
- EC floated the idea of having common adequacy standards but a lot of Member States have pushed back on this.

## 9 Grid Connection Codes Implementation

- David Freed (Ofgem) gave an update on the Grid Connection Codes (GCC) Implementation.
- David said the Multiple TSOs work has already started. Industry discussions about how TSO Responsibilities can be allocated have commenced for all three codes for Stakeholders to review and be discussed in November to come to a decision on them in the New Year
- Existing Derogation process for domestic level needs reviewing to ensure compatibility with EU Codes. .
- It was highlighted that an Emerging Technologies discussion is required for RfG i.e. what technology can be classified as Emerging Technologies.
- Stakeholders asked if DECC would publish the letter sent to Ofgem on the assignment of TSO obligations for GCC.
- Stakeholders questioned if there would be industry input on Derogations process. David said that the industry input would be taken through JESG and consultation process. It was noted that Derogation process can be included as a future agenda item.

## 10 CACM Implementation

- Matthew Ramsden (Ofgem) gave an update on CACM implementation. It was highlighted that the critical first steps were - Assigning roles and responsibilities for TSOs, NEMO designation, CCR Proposal which will be followed by at least 19 mandatory methodologies.
- Stakeholders asked about the process for recovering costs under CACM. Natasha Smith (Ofgem) confirmed that this will need to be considered in line with the CACM Regulation.
- All TSOs must propose CCRs to all NRAs by 14 November 2015. All NRAs have 6 months to take decision on the proposal. Bec Thornton (NGET) updated that the voting is expected at the ENTSO-E Market Committee meeting on 29 October for CCR. Stakeholders asked if NGET can publish the UK votes on CCR's following Market Committee meeting on 29 October via JESG weekly update.
- Stakeholders asked whether Ofgem would consult on a minded to decision for the formal CCR proposal. Matthew explained that Ofgem did not expect to consult further on proposals which have already been subject to public consultation, and emphasised the need for stakeholders to engage early with all consultation and to share any concerns with Ofgem. In addition, Matthew emphasised the need for TSOs, and in the future NEMOs, to provide robust and well justified proposals to Ofgem. However, Matthew noted that discussion of stakeholder views following consultations and formal proposals could be envisaged at JESG.

## 11 Future JESG Agenda items

Franklin Rodrick (NGET) advised that an update on the Balancing Code will be given at November's JESG meeting. It was suggested to include an update from the workshop on the 21 October to be added to the agenda.

## 12 AOB - Stakeholder Engagement – a 6 month forward view

Bec Thornton (NGET) provided an update on the timings of the European and GB meetings on the Network Codes and opportunities for GB stakeholders to become involved.

## 13 Next Meeting

The next meeting is scheduled for 17 November 2015 at Elexon Offices in London. Registration details will be provided in the JESG Weekly Updates and stakeholders will be invited to suggest agenda items.

# Action Log

## Standing Actions

ID	Topic	Lead Party	Status	Source
S1	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair	Standing Item	JESG S3
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/DECC	Standing Item	JESG S1
S3	Share any intelligence about how other member states are approaching demonstrating compliance through information gained from other government departments, regulators or parent companies	DECC / Ofgem / Industry parties with European parent companies	Standing Item	ECCAF 3/2
S4	Stakeholders are requested to provide specific examples of inconsistent or problematic definitions in the Network Codes to Ofgem (natasha.z.smith@ofgem.gov.uk) and DECC (elena.mylona@decc.gsi.gov.uk).	All Stakeholders	Standing Item	JESG S6

## Open Actions

ID	Topic	Lead Party	Status	Update
21	Make changes to the Network Code Summary status diagram	NGET	Open	
22	Liaise with Barbara Vest for dates and meetings before next JESG with respect to NGET Customer Seminar in March 2016	NGET	Open	
23	Publish UK votes on CCR's following Market Committee meeting on 29 October via JESG weekly update	NGET	Open	
24	Circulate DECC's letter to Ofgem requesting Ofgem to assign TSO responsibilities for Grid Connection Codes	DECC	Open	
25	Update meeting slides with upcoming dates	NGET	Open	
17	Provide visibility of response sent to ENTSO-E on Stakeholder engagement forums	NGET	Open	
18	Check whether CACM methodologies once approved by NRAs will be required to go through Comitology to give them legal effect.	DECC	Open	
19	Put Stakeholder committees onto slide for 6 month plan to see when JESGs need to discuss issues to take to those Stakeholder Committee meetings. Circulate the documents when available in the weekly update.	NGET	Open	
20	Look at how to avoid turning away people who haven't registered people for JESG and arrive on the day	Elxon	Open	

## Recently Closed Actions

ID	Topic	Lead Party	Status	Update
16	Options to increase engagement with stakeholders	All	Closed	Included in Action #22

13	What is the process if there is a translation error in the published version of a regulation? How can an error be corrected, and what is the legal result if there is a discrepancy between different language versions.	Ofgem/DECC	Closed	Marta Krajewska updated that in case of discrepancy English version takes precedence
14	Circulate the proposed Term of Reference, and likely agenda items for the JESG Subgroup on CACM and FCA	NGET	Closed	Circulated to the meeting attendees and published on the website
15	Consider nominations for the chair of the JESG Subgroup on CACM and FCA from the industry	All	Closed	Covered as part of the Subgroup meeting

## Meeting Attendees

Name	Company
<b>Barbara Vest</b>	<b>Chair</b>
<b>Franklin Rodrick</b>	<b>Technical Secretary</b>
Marta Krajewska	Energy UK
Garth Graham	SSE
Bec Thornton	National Grid Electricity Transmission (NGET)
David Freed	Ofgem
Matthew Ramsden	Ofgem
Natasha Smith	Ofgem
Julian Rudd	DECC
Bill Reid	RWE
Joe Underwood	Drax Power
Helen Stack	Centrica
Francisco Goncalves	Gazprom
Lin Gao	E.ON
John Costa	EDF
Kamila Nugumanova	ESB
Michela Beltracchi	NPS
James Anderson	Scottish Power
Simon White	Smartest Energy
Steve Wilkin	Elxon
Hazel Gulliver	Scottish Power