

Joint European Stakeholder Group



Tuesday 21 June: Meeting 13

1. Welcome & Introductions

Barbara Vest

JESG Independent Chair

2. Review of Action Log

Sara-Lee Kenney
JESG Technical Secretary

JESG Standing Actions

ID	Topic	Lead Party	Source
S1	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair	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	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	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	JESG S6

JESG Open Actions

ID	Topic	Lead Party	Update
27	Possibility to schedule a JESG meeting in late spring Brussels in 2016	Energy UK	On hold At the April JESG, Stakeholders agreed value in holding a JESG in Brussels but suggested to place on hold and revisit later on in 2016.
41	DECC have under Stakeholder sessions on the view for the future Energy Market Design and took action at the April JESG to communicate to the JESG and through the JESG Weekly Updates the next planned sessions and updates so far. Also: How are GB views collated ahead of the Florence Forum meetings and is there a plan to hold a workshop ahead of the June Florence Forum?	DECC	Open 13-14 June FF Meeting Information: https://ec.europa.eu/energy/en/events/meeting-european-electricity-regulatory-forum-florence

JESG Open Actions

ID	Topic	Lead Party	Update
42	Look to hold a Glasgow JESG either side of the Autumn NGET Customer Seminars (October).	Technical Secretary	On Hold - The structure, format and dates for future NGET Customer Seminars is currently being developed. Further information to follow pending this review.
43	National Grid to present at the June JESG on the TSOG code updates, mapping and implementation set up to date including the approach to coordination and of modifications across more than one GB code as a result of TSOG implementation	NGET	John Young (NGET) presenting at today's meeting

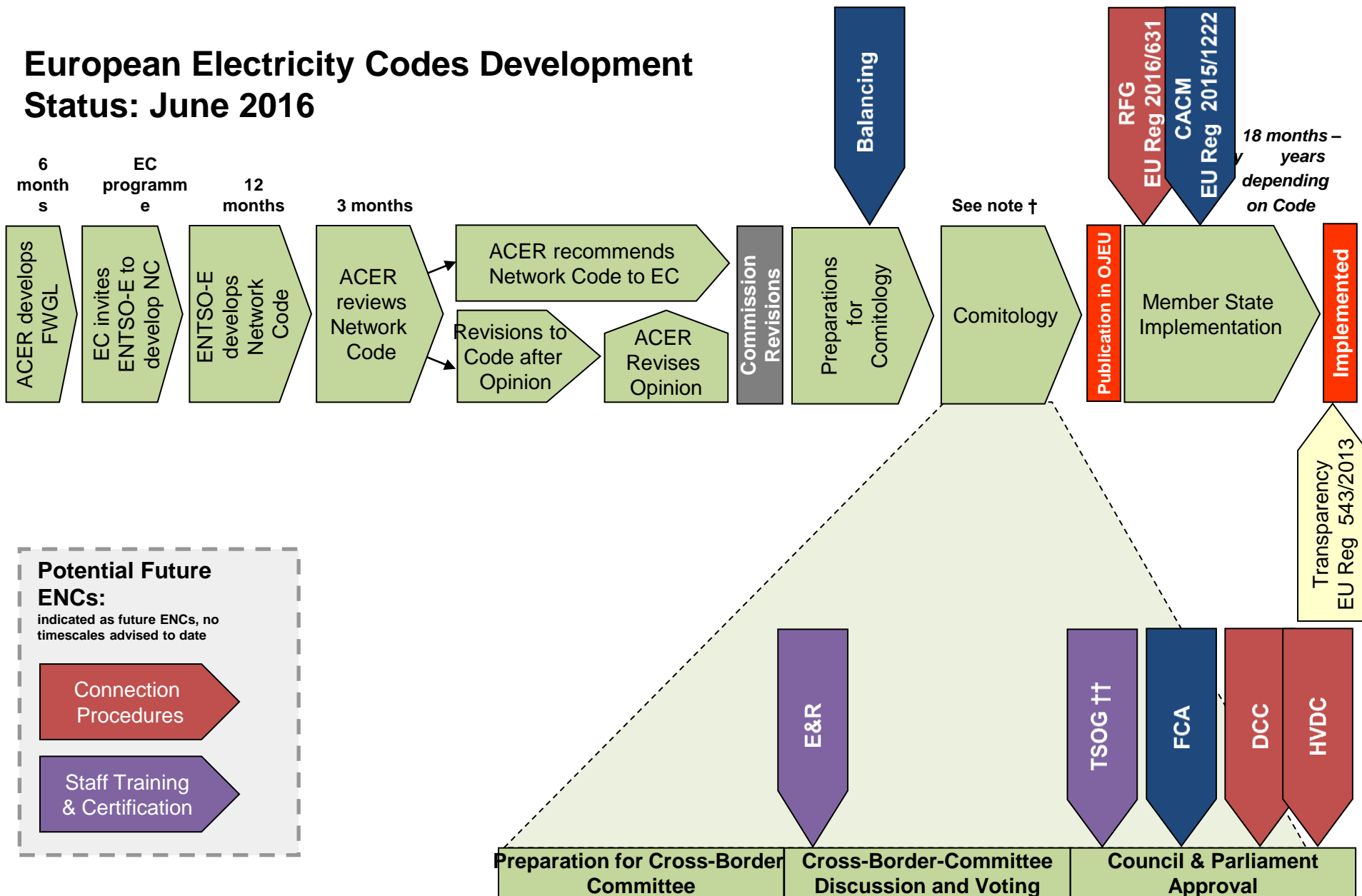
JESG Open Actions

ID	Topic	Lead Party	Update
44	Cross GB Codes ENC Changes Coordination. Step 1 engage Code Administrators, highlight to code leads	JESG Technical Secretary	Open

3. Summary Status of European Network Codes

JESG Technical Secretary & Ofgem

European Electricity Codes Development Status: June 2016





† Timescales for the stages of Comitology are not specified and under the Commission's control
 †† OS, OPS and LFCR have been merged in to form one single Transmission System Operation Guideline.


All queries to: europancodes.electricity@nationalgrid.com


Stakeholder Engagement


Key:

 GB Meeting

 European Meeting

 Decision

 Potential GB Meeting

 Potential European Meeting



Code	Jun	Jul	Aug	Sept	Oct	Nov
Capacity Allocation and Congestion Management		Mid July Deadline for all TSOs to submit proposals on Common Grid Model (CGM) and Generation and Load Data Provision Methodology (GDLPM) to NRAs				
Grid Connection Codes: RFG, DCC, HVDC	14/15 June GCC Workgroups	12/13 July GCC Workgroups				
Forward Capacity Allocation	Anticipated Entry Into Force					
Transmission System Operation Guideline		11 July TSOG Workgroup (TBC)				
Emergency & Restoration						
Balancing	<ul style="list-style-type: none">Balancing Stakeholder Group (BSG) – 30 June (ENTSO-E – Brussels)Balancing Stakeholder Focus Group (BSFG) GB – 29th June	EB GL – GB Industry Prioritisation Day – 12 th July			<ul style="list-style-type: none">Balancing Stakeholder Group (BSG) – 13 OctBalancing Stakeholder Focus Group (BSFG) GB – TBC	
JESG	21 June - London	20 July London	24 August Edinburgh	28 September - London	26 October - London	23 November London
Cross Code						
Stakeholder	6 June (Grid Connection)					

4. Transmission System Operation Guideline - Update

John Young
(NGET)

TSOG Update

John Young

21st June

Introduction

Cross-border committee positive vote May 4th

6-9 months

Expected timescale for remaining comitology process, parliamentary vote and publishing in OJEU (Official Journal of the European Union)

Expect EIF Dec 2016/Jan 2017

GC0095 TSOG implementation workgroup

- Joint Grid Code and Distribution Code group to progress the GB application / implementation of TSOG.
- Contact grid.code@nationalgrid.com with nominations for workgroup membership
- First meeting 11 July (tbc)
- Initial code mapping exercise has flagged impacts on: Grid Code; D Code; STC; SQSS; BSC; CUSC; other EU codes.
 - Will be flagged to code panels/ administrators to set up their own workgroups for TSOG implementation)
- Implementation timescales for the obligations under TSOG range from Entry into Force to 30 months later.

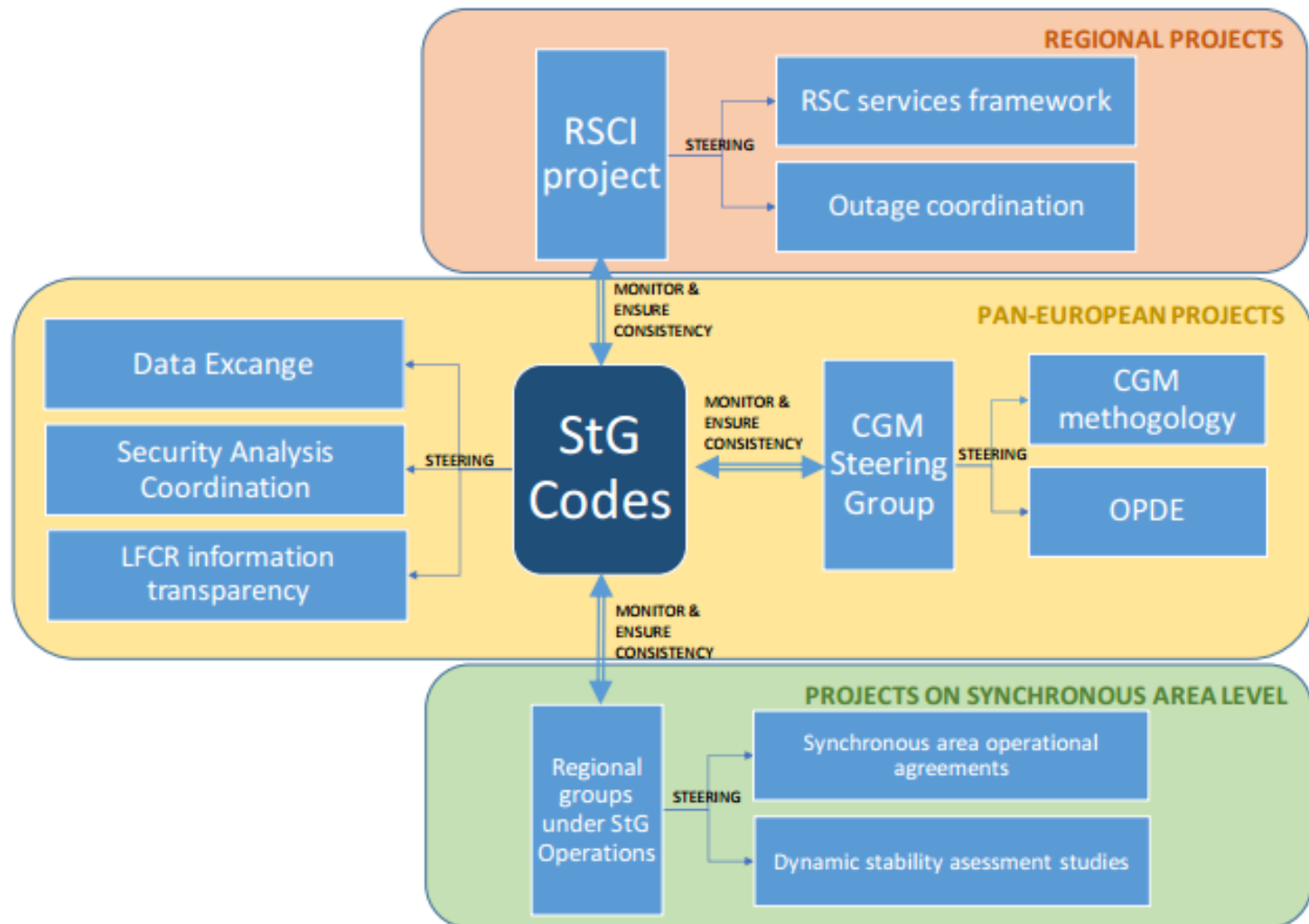
Grid Code mapping

- Grid Code mapping complete for OS and OPS
 - NGET to complete for LFC&R as mostly SO-only activities (with opportunity for industry challenge)
- Discussion around correct legal position for implementation of TSOG within GB grid code/governance
- Basis of discussion is that TSOG sets *minimum* standards and the status of GB requirements outside/above this
- To be raised within Ofgem and to DECC for legal input

TSO delegation

- TSO delegation exercise to be completed via same process as CACM
- First pass has been performed by NGET and to be distributed for consultation soon
- Most obligations related to SO TSO only (particularly in LFC&R section) but some areas where multiple TSOs have obligations.

ENTSO-E TSOG implementation activities





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AOB

Questions?

5. CACM Regulation - Northern Ireland & Ireland work on Implementation and Compliance

Peter Lantry
(Eirgrid)

CACM Regulation - Northern Ireland and Ireland NEMO Implementation and Compliance

JESG Meeting 21st June 2016



Agenda

- I-SEM NEMO Solution Overview
- Day-Ahead Solution Overview
- Clearing Arrangements
- PCR/MRC Workstream
- Cross-Border Intraday Project (XBID)
- Interim Intraday Design Proposal

I-SEM NEMO

NEMO

- Traders operate across all of these timeframes
- EirGrid Group has responsibility for market operations in all timeframes
- NEMO's operate the DA and ID markets across Europe mostly through PX's
- EPEX Spot has been selected to provide the service of the PX systems
- For ID market, XBID will be unavailable for I-SEM go-live. An interim intraday solution is proposed for 1st October 2017

Time
1 Year

*FTR &
Forwards
Market*

*CRM
Market*

*Day-Ahead
Market*

*Intraday
Market*

*Balancing &
Dispatch*

*Imbalance
Settlement*

Financial Transmission
Rights between zones
and Financial Forwards
within zone

Capacity Remuneration
Mechanism

**EU price coupled day-
ahead auction supplier
& generator bidding**

**Continuous local
trading and regional
auctions with supplier
& generator bidding**

Mandatory continuous
balancing market with
INC & DEC pricing

Cash out of differences
between actual and
traded positions

**N
E
M
O**

Real Time

NEMO – What is it?

Capacity Market	FTR Market	Day Ahead / Intraday	Balancing & Dispatch
Operational Planning & Forecasting			
		Common Grid Model Operations	
		DAM/IDM Operational Scheduling	Balancing & Dispatch
Advise Capacity Quantity	Advise FTR Quantity	Publish System Information	
CRM Customer Care	FTR Customer Care	DAM/IDM Customer Care	Balancing & Imbalance Customer Care
CRM Registration	FTR Registration	DAM/IDM Registration	Balancing Market Registration
CRM Auction	FTR Auction	DAM/IDM Trading	Balancing Market Operations
		EU Market Coupling	
CRM Settlement Calculation	FTR Settlement Calculation	DAM/IDM Settlement Calculation	Balancing & Imbalance Settlement Calculation
CRM Clearing	FTR Clearing	DAM/IDM Clearing	Balancing & Imbalance Clearing
CRM Market Surveillance	FTR Market Surveillance	DAM/IDM Market Surveillance	Balancing & Imbalance Market Surveillance
		Aggregator of Last Resort	



Key

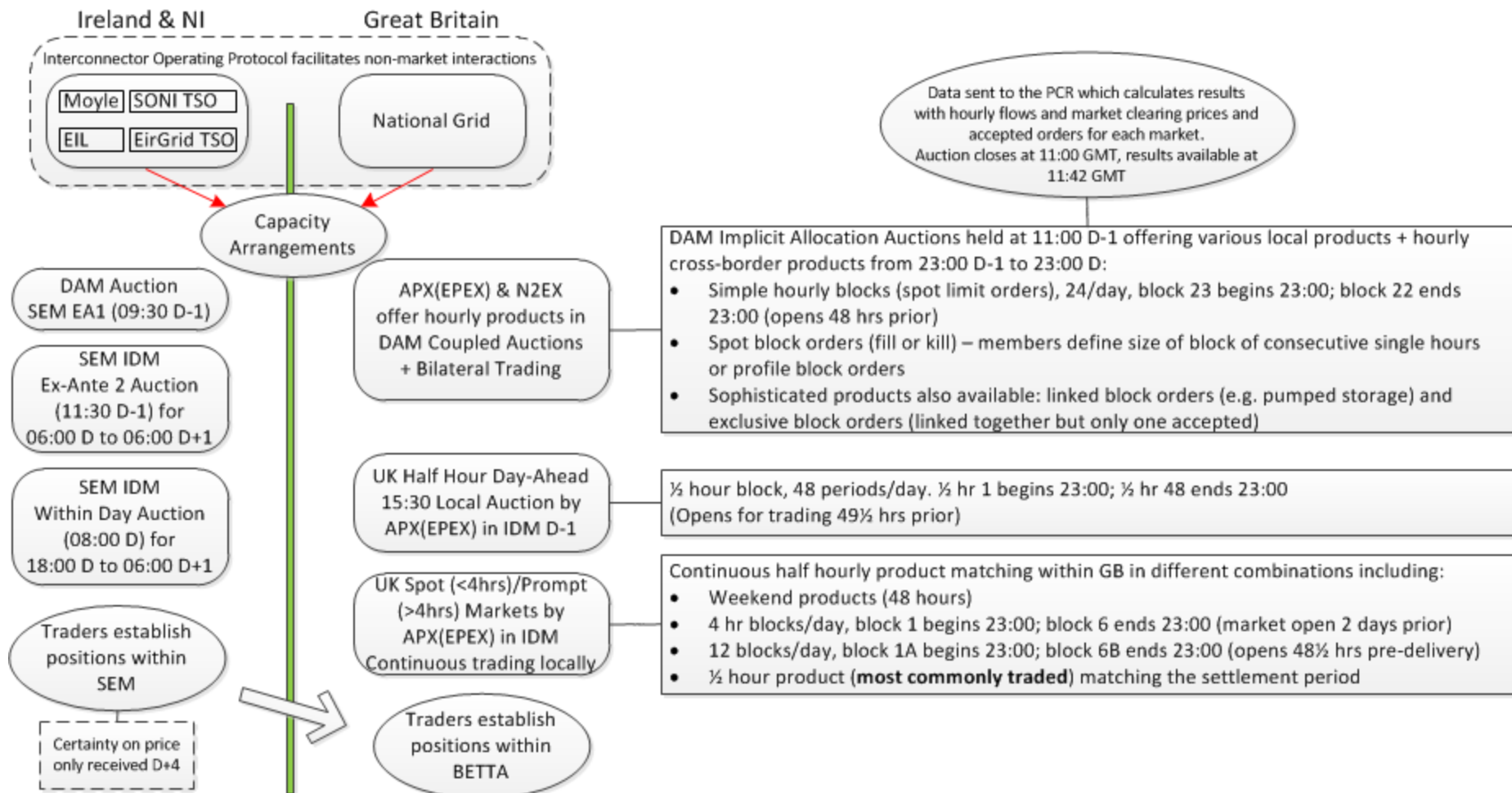
System Functions

NEMO Functions

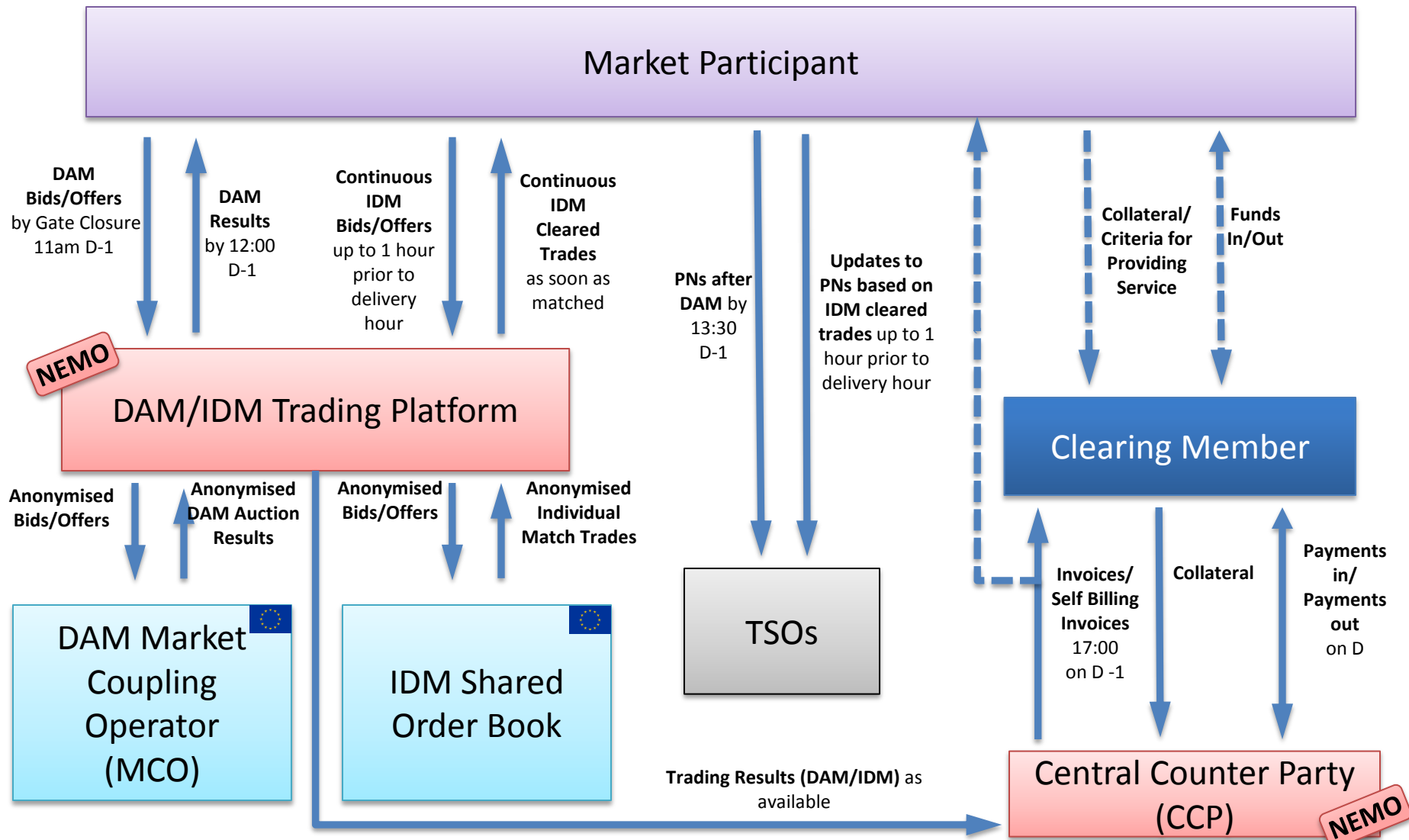
Wider Market Functions

NEMO – Provides access to European Electricity Market and acts as counter party to trades

Current Cross-Border Arrangements



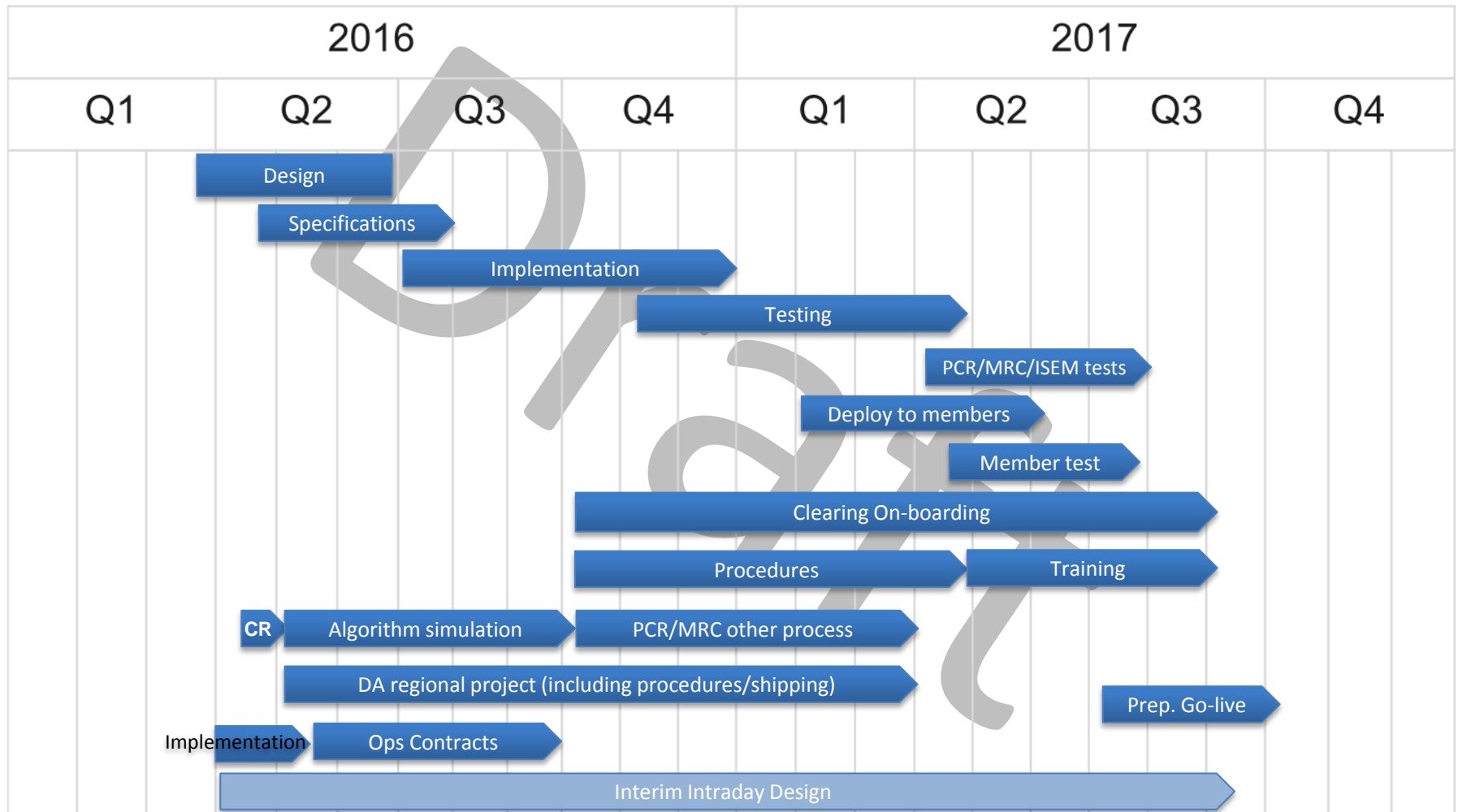
DAM/IDM – How it works?



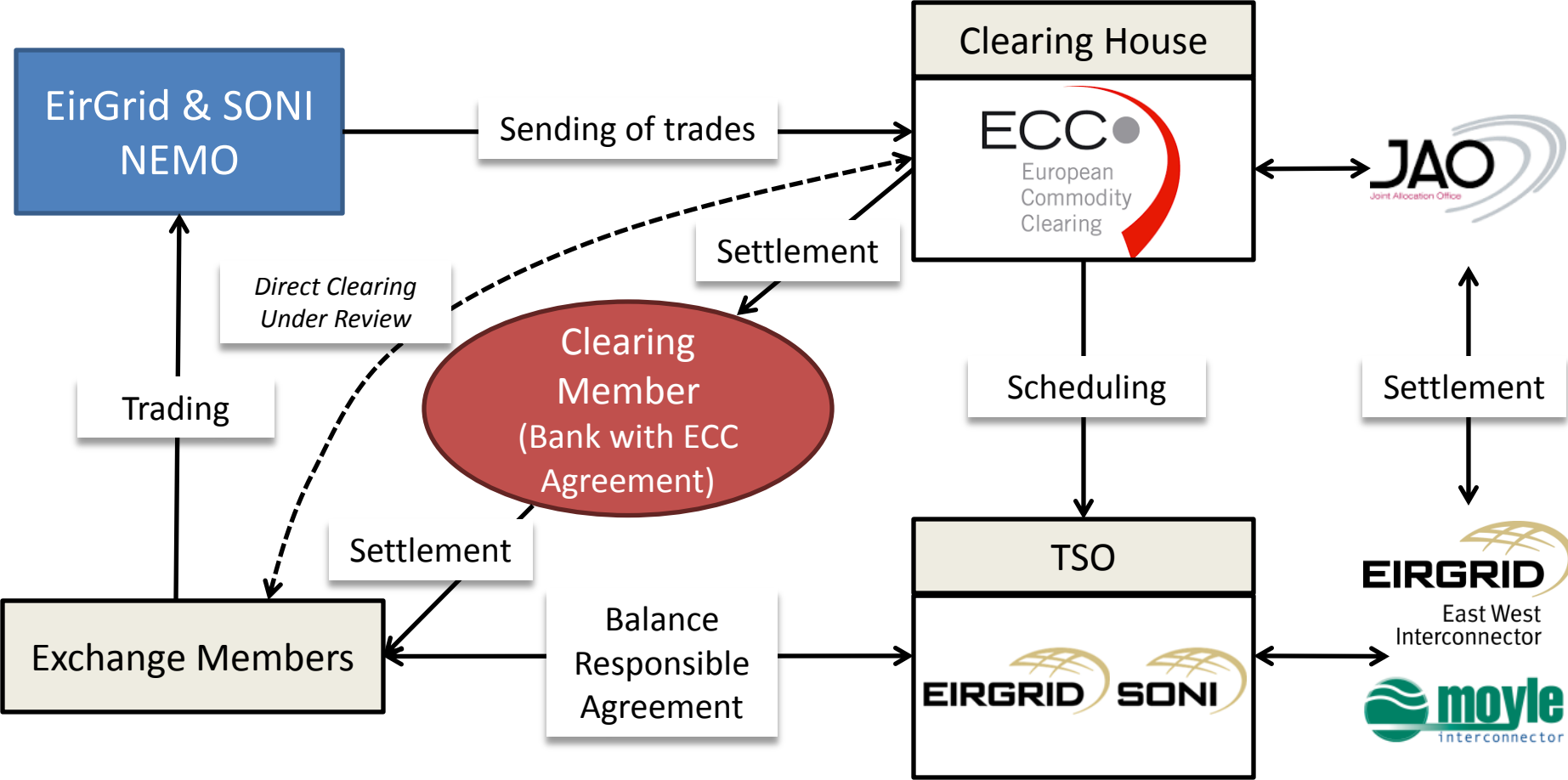
I-SEM DAM Arrangements

- Participants will submit orders into the Day-Ahead Market via their NEMO trading platform
 - Utilising existing EPEX platform configured to I-SEM requirements
 - Output of Euphemia trial will inform products offered
- Orders will be anonymised and submitted by NEMOs to the Market Coupling Operator (MCO) of the Price Coupled Region (PCR)
- Prices will be set based on matched orders in the Euphemia algorithm run by the MCO
 - Fully price coupled across Europe as required by CACM
- The MCO will send results back to the NEMO
 - Participants will be informed of their traded volumes and prices
- ECC will carry out the clearing and settlement function
 - Addressing dual currency requirement

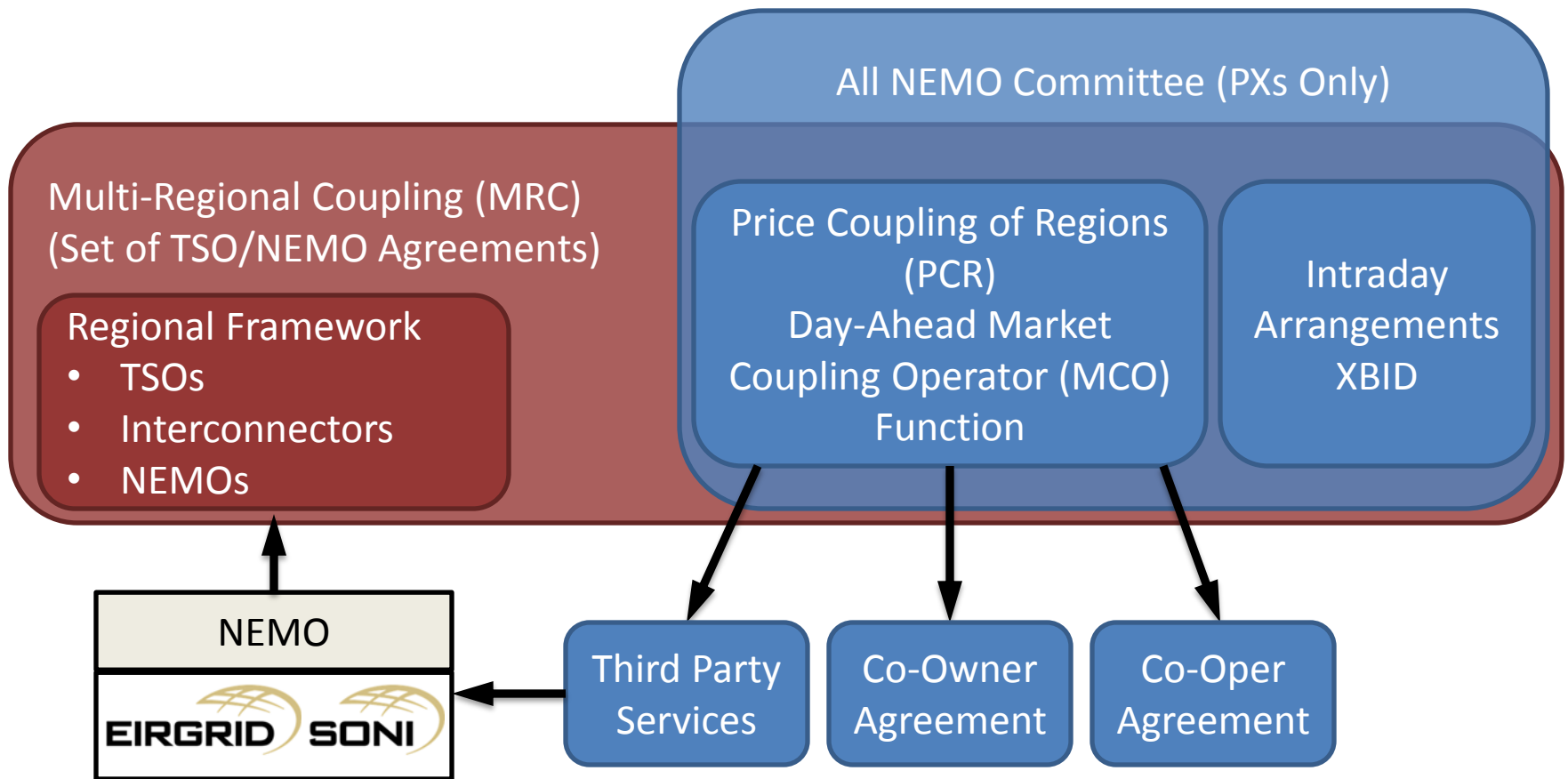
Draft DA Implementation Programme



Relationships between parties



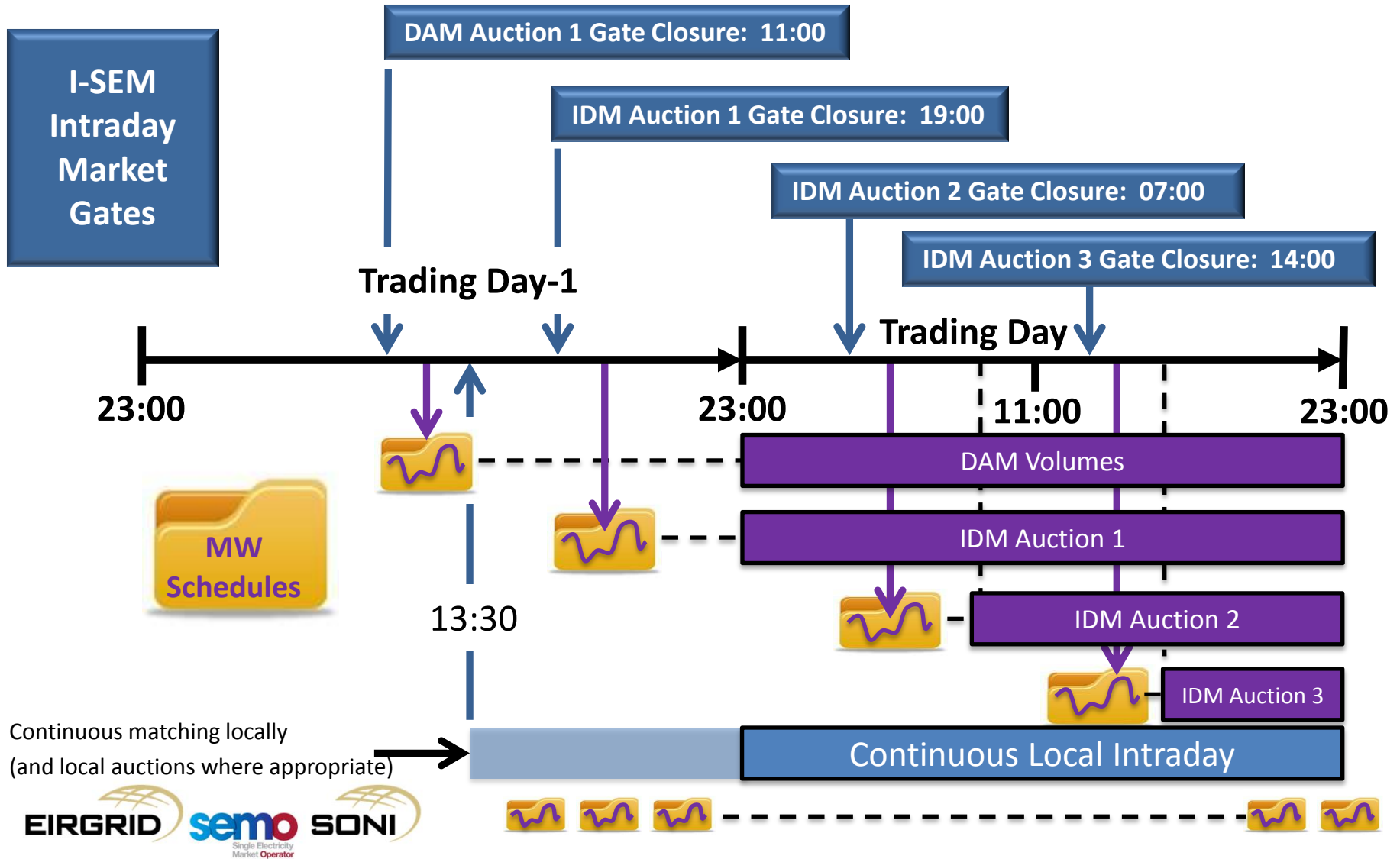
European Contractual Landscape



Implications for I-SEM NEMOs

- The Day-Ahead Market will be coupled with the Multi-Regional Coupling (MRC) solution known as Price Coupling of Regions (PCR)
 - Involves parties across Europe who are CACM compliant in the DAM
- I-SEM parties must sign-up to and adhere to the Day-Ahead Operating Agreement and its associated procedures and obligations
 - E.g. in the case of fall-back decoupling, we will have the ability to run a second Euphemia session to handle matching of CWE-GB-I-SEM areas
- Change requests have been submitted to the PCR and MRC to incorporate the needs of the I-SEM
 - We will work with the PCR and MRC to test and approve the solution for I-SEM
- Regional Intraday Operating Agreements will need to be developed for the interim intraday solution

Interim Intraday Arrangements Proposal



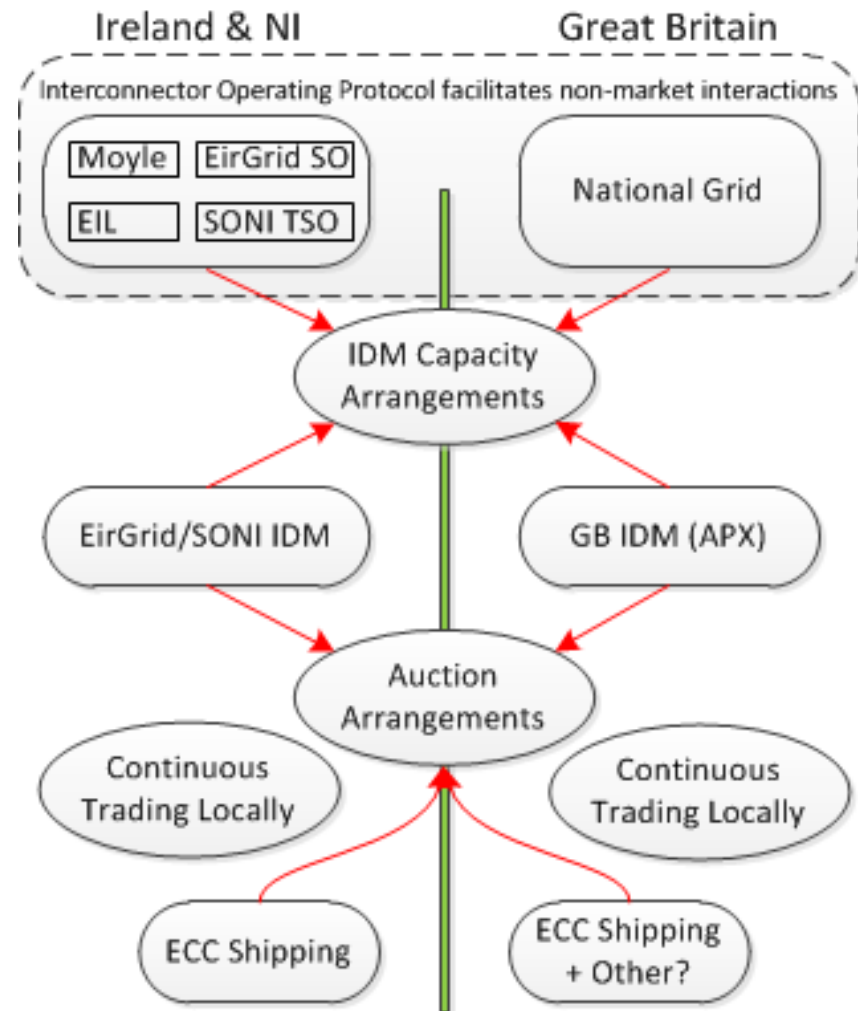
Interim Intraday Arrangements Proposal

- Three Cross-border intraday implicit auctions with half hourly products
 - IDM Auction 1 – 48 ½hr periods with auction at 19:00 D-1
 - IDM Auction 2 – 28 ½hr periods with auction on morning of D
 - IDM Auction 3 – 14 ½hr periods with auction on afternoon of D
- Local intraday (i.e. not cross-border)
 - Continuous trading on half hourly trading periods
 - *Additional local auctions (where appropriate/required)*

Go-Live	CB Auctions	Local Continuous	Regional Continuous	Notes
I-SEM 2017	Yes	Yes	No	If no local continuous available, consideration of number of auctions and the need for a larger PAR* is required.
LIP for XBID 2018/2019	Yes	Fall Back	Yes	To join XBID we must first couple through a Local Implementation Project (LIP). Parallel work is required during I-SEM delivery in the XBID Accession Stream to achieve go-live.
XBID+ 2020?	Yes	Fall Back	XBID+	Consideration of auctions as a long term solution in addition to continuous trading within Europe currently ongoing

Benefits of Proposed Intraday Solution

- Access to implicit cross-border intraday auctions capacity between I-SEM and GB
 - Three auctions facilitates adjustment of positions cross-border closer to real-time
- Continuous trading locally – using similar arrangements to GB, participants can:
 - Coordinate adjustment of commercial positions from previous auctions
 - Run and plan power generation closer to delivery
 - Manage unforeseen events such as power outages
- Introduction of continuous local trading will facilitate moving to XBID LIP



Driver for Interim Intraday Solution

- XBID project is not available for I-SEM go-live
- A programme of work is required to deliver CACM compliance
- An interim intraday solution must provide sufficient liquidity for market participants to establish balance responsible positions
- I-SEM programme is challenging and immediate action is necessary
- I-SEM Regulatory Authorities have supported the interim intraday solution proposed
 - Ofgem and GB stakeholder support is now requested

6. Balancing Guideline Update

Chris Fox
(NGET)

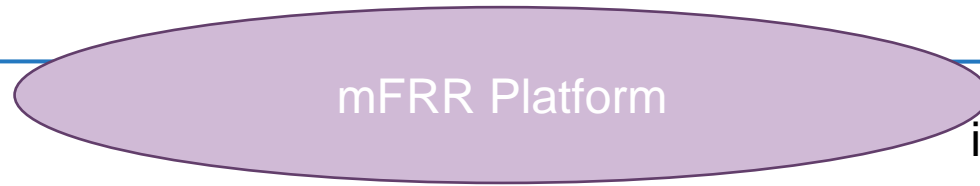
Electricity Balancing Guideline – Update

- Latest version released by the EC ahead of initial CBC presentation on 23rd June – there will be limited chance for discussion member states to submit comments in writing over the summer
- Key changes:
 - Platform approach ensuring a democratic, flexible process to achieving the European Target model, that avoids multiple changes and stranded assets – no more regional CoBAs
 - ISP removed – this is a temporary removal, we anticipate its re-insertion ready for the next CBC meeting (15-16th Sept)
- GB Industry Prioritisation meeting to be held on 12th July to capture concerns

Exemplary mFRR Platform Implementation

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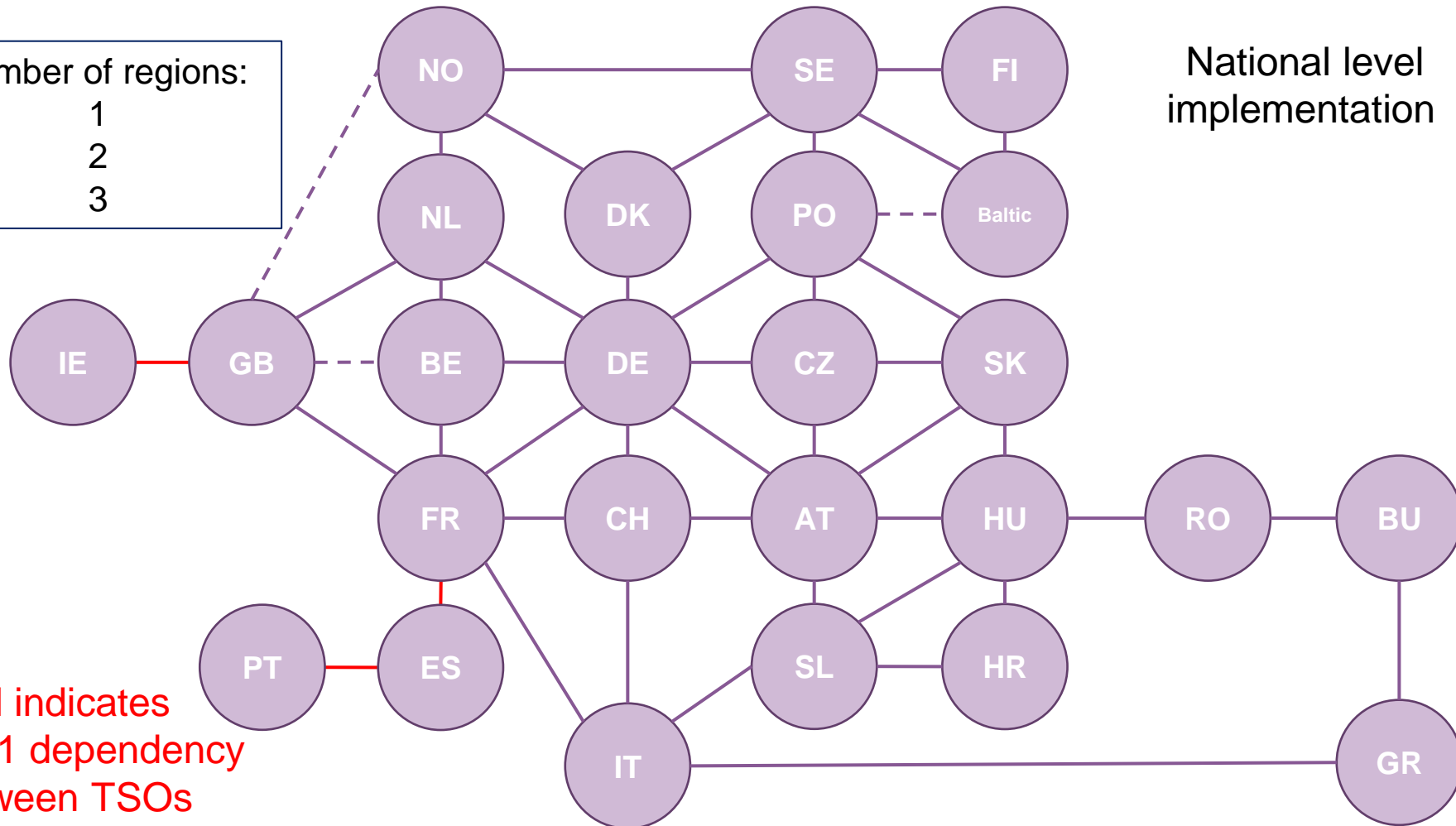
EU level
implementation



Number of regions:

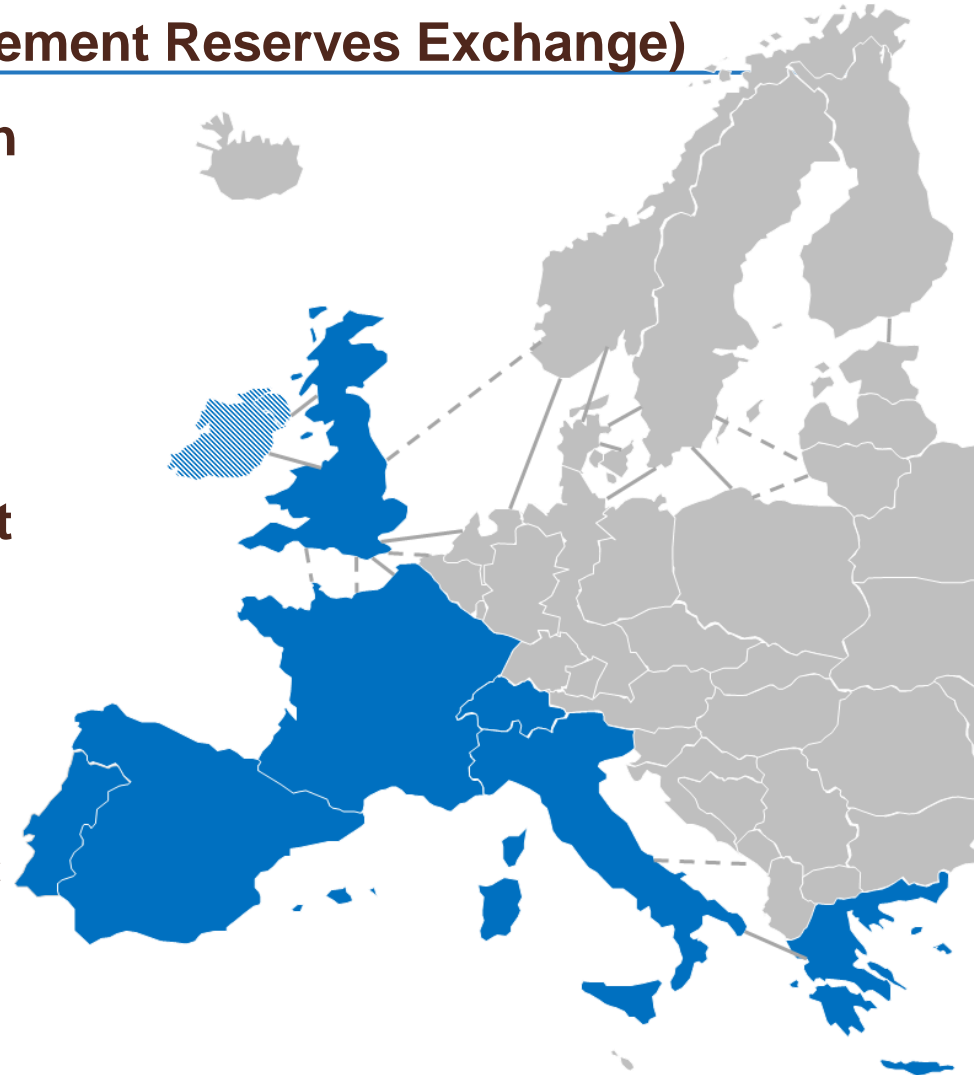
1
2
3

National level
implementation



Project TERRE – General Update

- TERRE (Trans-European Replacement Reserves Exchange)
- Public consultation held in March on high level design
- Project submitted the NRA approval package on 16th June
- Public stakeholder event to be held on 4th July where the project will present the results of the consultation and show how they have tried to address stakeholders concerns
- On a GB level NG raised the BSC Mod P344 at June Panel
- WG1 (5th July), WG2 (13th July) with WG3 to be planned for Sept



7. CACM Regulation: MCO (Market Coupling Operator) Plan

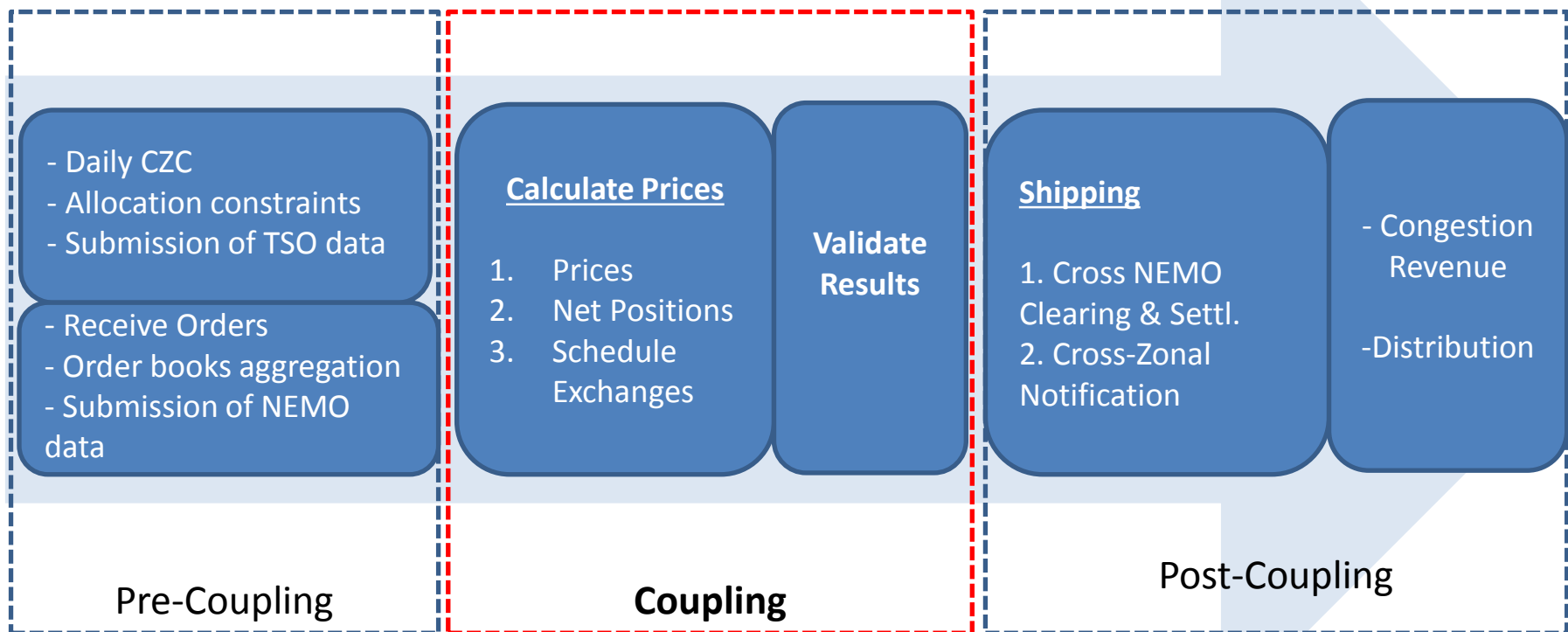
Ofgem

All NEMO Proposal for the Market Coupling Operator Plan

JESG Meeting

21.06.2016

A plan that sets out how NEMOs will jointly set up and perform the Market Coupling Operator (MCO) Functions (the “MCO Plan”) pursuant to article 7(2) of CACM



It should also include:

- i. an explanation of the necessary draft agreements between NEMOs and with third parties
 - ii. a proposed timescale for implementation, which is not longer than 12 months from NRA approval
 - iii. a description of the expected impact a) on the objectives of the CACM Regulation and b) on the establishment and performance of the MCO Functions
-
- ☐ Build on the existing governance arrangements/solutions where appropriate
 - ☐ Cooperation between NEMOs strictly limited to designing and delivering the MCO Functions

All-NRA Decision by 14th October 2016

What are your views on the proposal?

Public Consultation*

*Please send your responses by **24th of June** to Marcelo.Torres@ofgem.gov.uk

Thank you for your attention

Marcelo Torres

Wholesale Markets
9 Millbank
London
SW1P 3GE

0207 901 7026
marcelo.torres@ofgem.gov.uk

8. Future Meeting Dates & Agenda Items

Sara-Lee Kenney
(JESG Technical Secretary)

ENTSO-E Forthcoming Events\ Workshops

JUN **Energy infrastructure forum**

23

23 June 2016 to 24 June 2016
Copenhagen, Denmark

JUN **REGISTER NOW! 5th InnoGrid2020+ Conference**

27

27 June 2016 to 28 June 2016
Brussels

JUL **Invitation to TERRE Stakeholders Forum on July 4th 2016**

04

04 July 2016
London (UK)

JUL **ENTSO-E's new pan-European adequacy assessment**

06

06 July 2016
Brussels

JUL **Registration for the sixth ENTSO-E Interoperability Test
"Common Information Model (CIM) for System Development
and System Operations" 2016 opened.**

11

11 July 2016 to 15 July 2016
Brussels

**Visit ENTSO-Es Website for
further information:**

**[www.entsoe.eu/news-
events/events](http://www.entsoe.eu/news-events/events)**

Forthcoming Events/Workshops:

ACER:

<http://www.acer.europa.eu/media/events/Pages/default.aspx>

Applicable events to the ENC Programme will also be advertised through the JESG Weekly Updates

2016 JESG Meetings

Date	Description	Venue
Wednesday 20 July	JESG Meeting	Elaxon, London
Wednesday 24 August	JESG Meeting	Shepherd & Wedderburn, Edinburgh
Wednesday 28 September	JESG Meeting	Elaxon, London
Wednesday 26 October	JESG Meeting	Elaxon, London
Wednesday 23 November	JESG Meeting	Elaxon, London
Tuesday 13 December	JESG Meeting	Elaxon, London

JESG Website: The full dates and details can be found on the [2016 Meeting dates on the JESG Website](#)

As always registration is required and will be opened through the JESG Weekly updates.

europencodes.electricity@nationalgrid.com

Future Agenda Items Suggestions

- July
 - RfG Generator Banding Consultation
 - Balancing Guideline
- August
 - General background and update
 - TSOG

9. Stakeholder Representation

Barbara Vest/ All

10. Any Other Business

Lunch: 12:30

