

Headline Report

Meeting name: Joint European Stakeholder Group

Meeting number: Meeting 2

Date of meeting: Tuesday 28 April 2015

Location: Elexon, London

This note sets out the headlines from the latest meeting of the Joint European Stakeholder Group (JESG) and is provided in addition to the presentation from the meeting which is available on the JESG website¹. 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 Sara-Lee Kenney 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)

- The RfG Network Code is currently in the Comitology phase of the development process with discussions at the Cross-Border Committee.
- On Friday 10 April, the European Commission released an updated draft of the RfG network code to Member States. Following this on Tuesday 21 April DECC and Ofgem led a stakeholder session on the updated draft of RfG to gather stakeholder views and comments ahead of the next Comitology meeting.
- The next Comitology meeting will take place on 29 April with a view for discussion on RfG but also on how to proceed with the DCC and HVDC network codes.
- It is anticipated DECC and Ofgem will provide a further update on this meeting at the May JESG.

Demand Connection Code (DCC) and High Voltage Direct Current (HVDC)

- Both DCC and HVDC network codes are currently in the Comitology phase of the development process.
- On Friday 10 April, the European Commission released an updated draft of both the DCC and HVDC network codes to Member States. Following this, on Tuesday 21 April and Wednesday 22 April, DECC and Ofgem led stakeholder sessions on the updated drafts to gather stakeholder views and comments ahead of the next Comitology meeting.
- The next Comitology meeting will take place on 29 April with a view for discussion on how to proceed with the DCC and HVDC network codes.
- It is anticipated DECC and Ofgem will provide a further update on this meeting at the May JESG.

3 Markets

Capacity Allocation and Congestion Management (CACM)

- CACM is currently with the European Parliament and Council for approval. It is expected to be published, and enter in to law around June/July 2015.
- No further information has been provided to date.

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

Forward Capacity Allocation (FCA)

- The European Commission had indicated that FCA will start Comitology in May, no further details have been provided by the European Commission on the progress of FCA through the Comitology process and no further information was provided on FCA at this month's JESG meeting.

4 System Operation

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

- The European Commission had indicated the System Operation Network Codes may be merged to form one guideline. However, nothing has yet been formally confirmed. The Commission has also indicated that further discussion on the System Operation Network Codes and progression through Comitology is likely to take place in the Autumn.

Emergency and Restoration (ER)

- ENTSO-E has completed its revisions of the ER network code and submitted to ACER on 31 March 2015 for review. ACER has 3 months to review and assess the network code against the framework guidelines and publish their opinion.
- Jonny Whiting (Ofgem) provided an update on the ER Network Code stakeholder session which was led by DECC & Ofgem and took place on Tuesday 14 April.
- Jonny advised the top 4 issues highlighted by stakeholders at this meeting were in relation to, the role of the National Regulatory Authority (NRA), comms resilience, lack of time obligations and scope of the ER network code. Jonny added that all issues highlighted by stakeholders at this session have been captured and published on the [JESG website](#).
- Jonny also highlighted the deadline of 29 April 2015 for stakeholders to submit comments to ACER on the ER network code.

5 RfG/Distribution Code Mapping

- Sarah Carter (Ricardo-AEA) and Mike Kay (Electricity North West) presented on the proposed approach for mapping the RfG network code to the Distribution Code and invited stakeholders feedback. As a part of this presentation Richard Woodward (NGET) also presented on how this approach links in with the Grid Code
- Mike Kay advised prior to today this presentation has also been shared with stakeholders at the Distribution Code Review Panel (DCRP) Stakeholder Workshop and the GC0048 GCRP/DCRP RfG Implementation Workgroup.
- Mike advised the expectation is to gather and finalise stakeholder feedback ahead of DCRP consulting on this in the summer.
- The main objective of the approach taken for this mapping has been minimal impact possible to stakeholders with a seamless as possible and clear transition.
- Sarah Carter highlighted the current documentation in place and associated with the Distribution Code, the considerations taken into account when drafting the new approach and documentation, the options taken into account, the preferred option and the anticipated documents as a result of this.
- Richard Woodward presented on the anticipated association with the Grid Code but noted that the details of this are still being developed and being considered by the [GC0048 DCRP/CGRP RfG Implementation Workgroup](#).
- There is also the view that where appropriate and if required the approach taken for the Distribution Code mapping could be used/adapted for that of other code alignments and mapping.
- An updated version of the slides presented by Sarah and Mike which includes stakeholder feedback received at Tuesday's JESG can be found on the [JESG website](#).
- **All stakeholders are invited to provide their comments on the proposed approach to mapping the RfG network code to the GB Distribution Code to Mike.Kay@enwl.co.uk & Sarah.Carter@ricardo.com by Friday 8 May.**

6 Connection Codes Implementation & Stakeholder Engagement

- Richard Woodward (NGET) presented on the history, successes and challenges of the [GC0048 DCRP/CGRP RfG Implementation Workgroup](#) which was set up to manage the implementation of the RfG network code and alignment to the GB framework.
- The slides presented by Richard have now been included in the April JESG Meetings slides which have been published on the [JESG website](#).
- Following the release of new drafts of not only RfG but DCC and HVDC to Member States this month, Richard asked stakeholders to consider how to approach the required stakeholder engagement and implementation for DCC and HVDC. Suggestions included extending the remit of the existing GC0048, or like already in place for RfG - run individual implementation workgroups for DCC and HVDC under the Grid Code governance (and Distribution Code governance if applicable).
- Stakeholders were broadly in agreement for the option to set up individual implementation groups for each network code noting consideration is required for the organisation of the meetings to allow appropriate representation.
- To aid stakeholders, RJW took an action to produce a draft Terms of Reference to provide an overview of how individual implementation group for DCC and HVDC would work in principle.
- Stakeholders also requested to view the Terms of Reference for the existing GC0048 workgroup, which can be found on the [GC0048 website page](#).
- The draft DCC and HVDC Terms of Reference will be made available in the Friday 8 May JESG Weekly Update.
- Stakeholders are invited to provide comments on the slides presented by Richard, their comments on possible options to approach stakeholder engagement and implementation for HVDC and DCC and comment on the draft Terms of Reference by email to europencodes.electricity@nationalgrid.com
- The expectation is for the overall approach to be agreed by stakeholders at the May JESG.

7 Update on the ENTSO-E Consultation on Harmonised Access Rules (HAR)

- Lorcán Murray (NGIL) provided an update on the ENTSO-E Harmonised Allocation Rules for the Forward Capacity Allocation network code which closed on 30 March 2015.
- Lorcán advised the ENTSO-E Market Integration Workgroup would be discussing the results of the consultation (Tuesday 28 April) and are expected to publish the consultation results in July.
- Lorcán added the main issues highlighted were in relation to firmness compensation provisions, non-discrimination of capacity, emergency situation & system security terms and lower credit rating.

8 Any Other Business

- Sara-Lee Kenney (JESG Technical Secretary) mentioned the ongoing work in relation to upgrading the JESG communications and also the development of a new registration tool. Sara-Lee asked for volunteers to help test the new registration tool of which a number of stakeholders kindly offered assistance.
- Natasha Smith (Ofgem) highlighted the date extension of Friday 29 May for the Ofgem consultation on [Transmission System Operator \(TSO\) obligations under the CACM Guideline](#). Ofgem had previously removed Offshore Transmission Owners (OFTOs) from this consultation to allow more time to consider the best method to assign obligations to them and therefore will consult on their minded to decision on the assignment of CACM obligations to OFTOs this month (May 2015). Natasha added that to allow interested parties to consider and respond to both minded to positions, both deadlines are Friday 29 May.
- Natasha Smith also advised that ACER is in the progress of drafting a revised Terms of Reference for European Stakeholder Committees and Ofgem should be in a position to update further on this at the May JESG. Stakeholders highlighted the need for the European Stakeholder Meetings to be adequately represented with an even spread of Member State attendees along with ensuring the timely submission of meeting information to those attending.
- Steve Wilkin (Elexon) highlighted that Simon Reed no longer attends the Balancing Stakeholder Group (BSG). Natasha Smith has provided a copy of the draft Terms of Reference for the BSG ([attached to this headline report](#)) which also details the European organisations to contact if you would like to be represented in this group.

- Barbara Vest (JESG Chair and Energy UK) highlighted Energy UK will be hosting a breakfast briefing on European Network Codes in Scotland (June) and Ireland (TBC). Anyone wishing to be involved in this workshop should email Barbara.vest@energy-uk.org.uk

9 Next Meeting

The next scheduled meeting for the JESG is 21 May 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
4	DECC to update JESG on how GB TSO voting will work under CACM and what information will be published with regards to voting.	DECC	Open	To be covered at the June/July JESG
6	Transparency 'Lessons Learnt' to be presented to JESG when available.	NGET	Open	To be covered at the May JESG
8	All stakeholders are invited to provide their comments on the proposed approach to mapping the RfG network code to the GB Distribution Code to Mike.Kay@enwl.co.uk & Sarah.Carter@ricardo.com by Friday 8 May.	All	NEW	
9	RJW to produce a draft Terms of Reference for DCC and HVDC which provide an overview of how individual implementation groups would work in principle for stakeholders feedback.	NGET	NEW	
10	Following the above action 9: Stakeholders to provide feedback and agree approach for implementation and stakeholder engagement on the Connection Codes HVDC and DCC ready for the May JESG.	All	NEW	

Recently Closed Actions

ID	Topic	Lead Party	Status	Update
5	New JESG Terms of Reference additions to be updated and published to JESG website and Weekly Update.	Ofgem/DECC, JESG Technical Secretary	Closed	Complete

7	JESG Meeting Slides from April onwards to include future meetings/workshops (ENTSO-E/ACER etc)	JESG Technical Secretary	Closed	Complete
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Meeting Attendees

Name	Company
Barbara Vest	Chair
Sara-Lee Kenney	Technical Secretary
Bec Thornton	National Grid Electricity Transmission (NGET)
David Spillet	Energy Networks Association (ENA)
Garth Graham	SSE
James Anderson	Scottish Power (SP)
Joe Underwood	Drax
John Costa	EDF
John Norbury	RWE Generation UK
Jonny Whiting	Ofgem
Julian Rudd	DECC
Kamila Nugumanova	Electricity Supply Board – Ireland (ESB)
Lesley Rudd	Ecuity Consulting
Lorcán Murray	National Grid Interconnectors Limited (NGIL)
Martin Moran	National Grid Interconnectors Limited (NGIL)
Mike Kay	Electricity North West (ENW)
Natasha Smith	Ofgem
Peter Bolitho	Waters Wye Associates
Richard Woodward	National Grid Electricity Transmission (NGET)
Rupika Madhura	Ofgem
Sarah Carter	Ricardo-AEA
Sarah Owen	Centrica
Steve Wilkin	Elexon
Sue Harrison	DECC
By Phone:	
Elena Mylona	DECC
Michela Beltracchi	Nord Spot Pool

Terms of Reference for the Balancing Stakeholder Group

04 March 2015

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1. Introduction

On the 27th and 28th of November 2014 the 27th Florence Forum concluded that it welcomes the ongoing process to improve the draft Electricity Balancing Regulation (hereinafter: EB Regulation) and invites ACER and ENTSO-E to undertake further work on a more ambitious text with a clear deadline for the completion of the process (...). Given the importance of early implementation of the EB Regulation the Forum encourages ACER and ENTSO-E to strengthen the role of the balancing pilot project stakeholder group and invites ACER to co-chair the group.

ENTSO-E and ACER will take the initiative to create a Balancing Stakeholder Group (the “BSG”). This group will serve as a platform for relevant stakeholders to assist ACER and ENTSO-E and its members in achieving the objective of an integrated balancing market through early implementation of the EB Regulation drafted by ENTSO-E complemented by the Qualified Recommendation provided by ACER. This early implementation will focus both on regional development and on defining European principles, in order to further detail the design of the Balancing target model. Early implementation will end once the comitology process is finished and the EB regulation has entered into force.

The current draft EB Regulation sets out a development process where the regional implementation will provide a stepping stone towards the development of an integrated European balancing market. The draft also describes the development of European common principles of balancing markets. By starting the early development of both these aspects before the formal adoption of the EB Regulation, the process can gain momentum before the formal adoption of the EB Regulation to enable faster integration of balancing markets.

These terms of reference describe:

- the objectives;
- the deliverables for this group for the period of early implementation;
- roles, responsibilities and working arrangement between ACER and ENTSO-E on the co-chairing;
- Membership, roles and responsibilities of participating stakeholders.

2. Objectives of the group

The main objective of the Balancing Stakeholder Group is to provide a European level forum where ACER and ENTSO-E will be able to discuss and consult with stakeholders the proposals for different terms and conditions or methodologies that shall be developed by TSOs pursuant to the EB Regulation. Among those, the proposals for the Implementation Framework for the regional implementation models are of significant importance.

In order to prepare the meetings of BSG and discuss the proposals to be put forward, ACER and ENTSO-E will also set up a bilateral Balancing Coordination Group.

The Balancing Stakeholder Group will:

- Provide a forum for ENTSO-E, ACER and stakeholders with participation of the European Commission, through which the different implementation activities for the integration of balancing market are discussed and consulted.

- Allow stakeholders to receive early information and provide feedback and comments to ENTSO-E and ACER on the development of implementation projects and draft terms and conditions or methodologies;
- Allow ENTSO-E to report on the implementation projects, in particular the lessons learned and problems encountered as well as to report on early drafts for the terms and conditions or methodologies to be developed pursuant to EB Regulation;
- Allow ACER together with respective NRAs where applicable to report on regulatory progress of adaptation and preparation for the early implementation of the EB Regulation and potential issues with existing (national) legislation.
- Allow ACER, ENTSO-E and stakeholders to learn from the implementation activities and gain important lessons needed for future development and detailing of the electricity balancing target model.

The Balancing Stakeholder Group shall not replace the obligation for general public consultations required by the EB Regulation after its entry into force. The Balancing Stakeholder Group shall also preserve TSOs joint responsibility for the development of the implementation projects and NRAs responsibility for monitoring and regulatory supervision of those projects. ENTSO-E and ACER shall facilitate the co-ordination of TSO and NRA activities among different CoBAs. ENTSO-E or ACER may organise workshops on specific issues when needed and/or have bilateral contacts/meetings with individual stakeholders. The Balancing Stakeholder Group will be informed about the timing and conclusions of these communications/meetings where appropriate.

ENTSO-E and ACER will cease the Balancing Stakeholder Group and merge it with the stakeholder group in accordance with the EB Regulation after its entry into force.

3. Deliverables for the period of early implementation

The objective for the period of early implementation is to engage with stakeholders on the central elements of the EB Regulation and to work towards achieving the ambitious targets for (early) regional implementation models.

Deliverable 1: European Roadmap for early implementation of the EB Regulation that shall

- Set the high level plan how current national markets shall – through the stepping stone of regional balancing markets – develop towards a European Balancing Market;
- by providing the draft definition and configuration of the CoBAs for all processes – that are to be included either obligatory or optional – for the regional implementation models, endorsed by the participating TSOs and building from the work done in the Pilot Projects;
- with a description of the main milestones & main deliverables for the implementation of these models;
- including a European and regional Governance structure for the development of the RIM's for TSOs, NRA's and stakeholder engagement; and
- complemented by a draft skeleton describing the main elements of the implementation frameworks for the Regional implementation models shall to be developed by ENTSO-E.

Deadline: Q3-2015

Responsible: ENTSO-E & ACER

Deliverable 2: CBA of Imbalance Settlement Period

In accordance with article 21 of the draft EB Regulation all TSOs will perform a cost benefit analysis to guide the decision on harmonisation of Imbalance Settlement Period. First the criteria and methodology for elaboration of CBA will be developed by Q2 2015. In second step, ENTSO-E will use the criteria and methodology to perform CBA and report its findings to BSG by Q1 2016.

Deadline: Q2-2015 and Q1-2016

Responsible: ENTSO-E

Deliverable 3: Proposals for Standard mFRR and RR Products

In accordance with article 29 of the draft EB Regulation all TSOs shall develop a proposal for a list of Standard Products for Balancing Capacity and Standard Products for Balancing Energy for Frequency Restoration Reserves and Replacement Reserves. On the deadline for this deliverable ENTSO-E shall consult the BSG on their proposal for the standard products for mFRR and RR products.

Deadline: Standard Products for Balancing Energy Q2-2015, Standard Products for Balancing Capacity Q4-2015

Responsible: ENTSO-E

Deliverable 4: Proposals for Standard aFRR Products

In accordance with article 29 of the draft EB Regulation all TSOs shall develop a proposal for a list of Standard Products for Balancing Capacity and Standard Products for Balancing Energy for Frequency Restoration Reserves and Replacement Reserves. On the deadlines for this deliverable ENTSO-E shall present the outcomes of the aFRR study to the BSG and consult the BSG on their proposal for the standard products for aFRR products.

Deadline: Presentation of outcomes from aFRR study Q4-2015 and Standard Products for Balancing Energy and Capacity Q2-2016

Responsible: ENTSO-E

Deliverable 5: Proposals for pricing methodology

In accordance with article 39 of the draft EB Regulation all TSOs are to shall develop a proposal for harmonised pricing methods for Balancing Energy. On the deadline for this deliverable ENTSO-E shall consult the BSG on their proposal for the harmonized pricing method for Balancing Energy.

Deadline: Q2-2016

Responsible: ENTSO-E

Deliverable 6: Activation purposes of Balancing Energy bids from the CMO Lists,

In accordance with article 40 of the draft EB Regulation all TSOs shall develop a proposal for classification methodology for activation purposes of Balancing Energy bids in line with the general objectives of the Balancing Market pursuant to Article 10. On the deadline for this deliverable ENTSO-E shall consult the BSG on their proposal for the activation purposes of Balancing Energy bids.

Deadline: Q4-2015

Responsible: ENTSO-E

Deliverable 7: High-level principles for the different algorithms and optimisation processes

In accordance with article 70 of the draft EB Regulation all TSOs shall jointly define principles for balancing algorithms that are to be applied for the Imbalance Netting Process Function, Capacity Procurement Optimisation Function, Transfer of Balancing Capacity Function and Activation Optimisation Function. On the deadline for this deliverable ENTSO-E shall consult the BSG on their proposal for the principles for these balancing algorithms.

Deadline: Q1-2016

Responsible: ENTSO-E

4. Role, responsibilities and working arrangements

ACER and ENTSO-E will co-chair the meetings in the following way:

- ENTSO-E will chair those parts of the meetings related to the implementation aspects:
 - a) Presentation of implementation projects and activities and discussion on experience from implementation projects and activities;

- b) Planning activities for future implementation projects and activities;
 - c) Discussion on identified problems/barriers and their solutions.
- ACER will chair those parts of the meetings related to market design aspects:
- a) discussion on the draft terms and conditions or methodologies developed by ENTSO-E (all TSOs);
 - b) discussions on conclusions and lessons for the purpose of guiding any future improvements or refinements of the target model for the European electricity balancing market.

All representatives to the stakeholder group commit to:

- consistently attend meetings (with a stable membership);
- actively participate in meetings;
- liaise with their members and stakeholders to update on the pilot project development and represent their views and concerns; and
- highlight issues and concerns as early as practicable.

ENTSO-E commits to:

- prepare regular reports on implementation projects taking into account the requests for reporting from stakeholders and ACER; and
- develop early drafts of the terms and conditions or methodologies taking into account the requests for reporting from stakeholders and ACER.

ACER commits to:

- provide early feedback and positions on the development of implementation projects;
- provide early feedback and position on the terms and conditions or methodologies; and
- provide early feedback on preparation for implementation of the new regulation.

ACER and ENTSO-E commit to:

- act in an open and transparent manner to update on the progression of the implementation projects;
- provide information to facilitate the representatives' understanding and advice on aspects of the implementation projects and terms and conditions or methodologies; and
- provide working documents ideally 2 weeks or at least 5 working days before any meeting.

5. Publication of Information

It is recognised that all information shall be treated as work in progress and shall be provided without prejudice to the right of ENTSO-E and ACER to update or amend its positions and stakeholder representatives to update or amend their positions and to respond to formal consultations as they see fit.

6. Records of meetings

- The chairs shall produce minutes of each meeting, which accurately reflects discussions.
- Participants shall be provided with a reasonable time period in which to comment on the minutes.
- In the event that no comments are received, the minutes shall be deemed to be approved.
- In the event comments are received, they shall be incorporated when justified, into a final version of the minutes, which shall be published on the ACER website.

7. Frequency of meetings

The group will meet on an as needed basis. As a general rule, the Balancing Stakeholder Group will meet 4 to 6 times per year.

8. Membership

The stakeholder group comprises of representatives from key European stakeholder organisations interested in participating. The European Commission may choose to attend as observers.

The composition of the stakeholder group will be up to 6 members from both ENTSO-E and ACER, and a maximum of 16 stakeholder representatives to be nominated and agreed by AESAG.

Number	Surname	Name	Company	email
1	Hipgrave	Adam	BRITNED	adam.hipgrave@britned.com
2	de Wit	Paul	CEDEC	paul.de.wit@alliander.com
3	Supponen	Matti	EC	Matti.Supponen@ec.europa.eu
4	Le Page	Jerome	EFET	J.LePage@EFET.org
5	Janson	Stefan	EFET	s.janson@enbw.com
6	van den Kerckhove	Oliver	EFET	olivier.vandenkerckhove@gdfsuez.com
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9	Otter	Ruud	EURELECTRIC	rotter@energie-nederland.nl
10	Lorenz	Gunnar	EURELECTRIC	glorenz@eurelectric.org
11	Šavli	Andraž	EUROPEX	Andraz.Savli@borzen.si
12	Bloomfield	Philip	EUROPEX	p.bloomfield@epexspot.com
13	Erhartova	Pavla	EUROPEX	perhartova@ote-cr.cz
14	Chan	William	IFIEC	William.CHAN@airliquide.com
15	Reid	Simon	SCOTTISH POWER	simonpeter.reid@scottishpower.com
16	Kuen	Nicolas	EC	Nicolas.Kuen@ec.europa.eu
			GEODE	
			EDSO	
			SEDC	
			Others?	

