

Headline Report

Meeting number: Meeting 11

Date of meeting: Friday 8 April

Location: Radisson Blu, Glasgow

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 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 europeancodes.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)

- All 3 Network Codes are currently with the European Parliament and Council for final approval ahead of being published in the Official Journal of the European Union (OJEU). Subject to this approval, it is anticipated the Network Codes will enter into force Q2 2016.
- GB implementation for RfG GC0048 and DCC GC0091 is being carried out under the joint governance of the Grid Code Review Panel (GCRP) and Distribution Code Review Panel (DCRP). The implementation for HVDC GC0090 is being carried out under the governance of the GCRP.
- Richard Woodward (NGET) presented at this month's JESG on the RfG Generator Banding Thresholds Consultation which is currently open for industry comment. See section 8 of this Headline Report.

3 Markets

Capacity Allocation and Congestion Management (CACM)

- The CACM Guideline was published in the OJEU on 25 July, 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, where there is conflict between the Regulation and the law of Member States, the Regulation prevails.

Forward Capacity Allocation (FCA)

- The FCA Guideline is currently with the European Parliament and Council for final approval ahead of being published in the Official Journal of the European Union (OJEU). Subject to this approval, it is anticipated the FCA Guideline will enter into force Q2/Q3 2016.
- The GB implementation of both CACM and FCA is carried out under the JESG Subgroup 'CACM/FCA Implementation'.

Electricity Balancing (EB)

- The EB Network Code is currently with the Commission for Comitology preparations post ACER's qualified recommendation.
- Further work and stakeholder engagement is currently being undertaken in relation to the Imbalance Settlement Period and Cost Benefit Analysis (ISP CBA) and therefore the Network Code is yet to enter Comitology. It is anticipated in July 2016 the Commission will finalise the Impact Assessment and the Network Code will enter inter-service consultation followed by Comitology after the Summer 2016.
- The discussion and GB implementation of the EB Network Code is carried out under the JESG subgroup BSFG (Balancing Stakeholder Focus Group).
- Richard Woodward (NGET) presented the key headlines and developments associated with the Network Code at this month's JESG. See section 9 of this Headline Report.

4 System Operation

Transmission System Operation Guideline (TSOG)

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

- The *Operation Security (OS)*, *Operational Planning and Scheduling (OP&S)* and *Load Frequency Control Reserves (LFCR)* Network Codes have been merged to form one Transmission System Operation Guideline.
- Discussions at the Cross Border Committee continue. A Member State vote had been expected at the 8/9 March 2016 Cross Border Committee Meeting however this was postponed pending further discussions on remaining objections to the articles on Regional Security Cooperation Initiatives (RSCIs).
- It is therefore expected that a vote will not take place until May where it is also anticipated the Emergency & Restoration (ER) Network Code will be discussed.

Emergency and Restoration (ER)

- The Commission has indicated an updated draft text of the ER Network Code will be realised to member states shortly with discussions taking place at the May Cross Border Committee Meeting.

5 Florence Forum Update

- Natasha Smith (Ofgem) presented an update from the Florence Forum which was held on 3 and 4 March 2016 to which both Natasha and Sue Harris (DECC) attended.
- The Florence Forum is held every 6 months in Central Europe, however this year it is expected there will be an additional meeting. Therefore the remaining Florence Forum meetings for 2016 will take place in June and November.
- The meeting brings together attendees from Member States, the European Commission and European associations and although the [Florence Forum presentations delivered and conclusions](#) made are not binding, they set a direction of travel and view for the future.
- A key topic discussed at the meeting was the Energy Market Design and what additional legislative measures may be required to further harmonise the Energy Market, an update on this is expected in June with anticipated legal text by the end of the year.
- Joe Parsons (DECC) mentioned they have undertaken Stakeholder sessions on the view for the future Energy Market Design and took action to communicate to the JESG and through the JESG Weekly Updates the next planned sessions and updates so far.
- Natasha also provided an overview of Commissioner Arias Cañete's talk (See Meeting Slides 17-18) which included discussion on Short Term Markets, Appropriate Bidding Zones, Price Caps – Regulation and ACERs role going forward does/should this change and if so how.

6 Tariff Harmonisation Update

- Natasha Smith (Ofgem) provided an update on 'Tariff Harmonisation' with a recap on the existing framework on tariff structures, background and [CEPA \(Cambridge Economic Policy Associates\) Report](#).
- ACERs Recommendation in December 2015 suggested there isn't currently a requirement to undertake a large reform or a Network Code on Tariff Harmonisation. (See Meeting Slides 21-22 for further details)

7 Transmission System Operation Guideline (TSOG) Update

- Richard Woodward (NGET) provided an update on the TSOG which is currently being discussed by Member States at the Cross Border Committee (Comitology).
- Richard highlighted the TSOG is the merger of the 3 previous Network Codes (*Operation Security (OS)*, *Operational Planning and Scheduling (OP&S)* and *Load Frequency Control Reserves (LFCR)*) to become one guideline on System Operation. In addition to this the links the TSOG has to other Network Codes.
- The TSOG was expected to be voted on during the March Cross Border Committee meeting, however this was postponed pending further discussion on Regional Security Cooperation Initiatives (RSCIs).
- Stakeholders discussed how effectively the role of the RSCI sits above that of the Transmission System Operator (TSO) and discussed how only one RSCI can operate a CCR (Capacity Calculation Region).
- It is expected the TSOG will be voted on by Member States in May and further details on TSOG are outlined in the Meeting Slides 25-30.
- NGET will look to provide a further update at a future JESG based on the progress of the TSOG through Comitology.

8 Requirements for Generators (RfG) Banding Threshold Consultation

- Richard Woodward (NGET) presented an overview of the [RfG Generator Banding Threshold Industry Consultation](#) that is currently open for comment.
- The RfG Network Code changes the existing GB Generator Banding (Small, Medium, Large) to that of Type A, B, C and D based on size and connection.
- RfG requires Member States to then set the thresholds within these Types (A, B, C and D) which is premise of the industry consultation.
- It is important to note that these requirements are applicable for generators 800 Watts and above.
- The industry consultation outlines 3 options for these thresholds; High, Medium and Low and the preferred option as least risk to GB.

- Richard has set up a number of sessions to discuss the consultation if you are yet to be involved and would like to be please contact [Richard Woodward](#) to discuss further.
- The **consultation closes at 17:00 on the Friday 29 April**, Richard is currently looking at a possible extension to this date.

9 Balancing Network Code: Round up and Update

- Richard Woodward (NGET) presented the key headlines for the Balancing Network Code (See Meeting Slides 45-53).
- A detailed update on the Balancing Network Code was provided at February's JESG so this presentation focused on the current status of the Network Code, the early implementation activities and the Imbalance Settlement Period Cost Benefit Analysis.
- Stakeholders are invited to engage further through the JESG Subgroup BSFG (Balancing Stakeholder focus Group).

10 AOB

- Garth Graham (SSE) highlighted there will be an update sent to the industry w/c 12 April on DG Competition.
- Alice Barrs (RWE) and Garth Highlighted the closed membership European Stakeholder Committees are now offering streaming. Details will be made available in advance of the meeting and advertised through [ENTSO-Es Event Page](#).

11 Next Meeting and Future Agenda Items

The next JESG meeting will be held on the **Wednesday 25 May from 10-12:30 at Elexon Offices in London. Registration and Meeting Details will be announced through the JESG Weekly Update emails.**

Stakeholders are invited to submit agenda items for this meeting or any future meetings to the Technical Secretary europeancodes.electricity@nationalgrid.com.

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
27	Possibility to schedule a JESG meeting in late spring Brussels in 2016	Energy UK	On Hold	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.	DECC	New	
42	Look to hold a Glasgow JESG either side of the Autumn Customer Seminars (October).	Technical Secretary	New	

Recently Closed Actions

ID	Topic	Lead Party	Status	Update
33	Practical Aspects Concerns: CACM/ENC Methodologies raised by Energy UK to be taken forward to the Commission by DECC	Energy UK/JESG Chair	Closed	DECC have discussed issues and suggested to develop further the JESG Chair writes to the European Commission on this issue. JESG Chair has drafted note to Commission.
35	Richard Woodward to return to the April JESG (Glasgow) to present on the RfG generator banding consultation paper.	NGET	Closed	Complete. Covered in today's presentation
36	Transmission System Operation Guideline (TSOG) update at future JESG	NGET	Closed	Complete. Covered in today's presentation

38	Garth Graham and Steven Wilkin offered to discuss at the European meetings they attend how other Member States are approaching implementation and modifications (i.e. 1 year timescale discussed in the BAL agenda item in Feb) Sue Harrison to also raise at the next Comitology meeting.	Garth Graham, Steve Wilkin & DECC	Closed	Garth provided an update on behalf of both. In summary for the discussions had challenges are posed of a similar nature to that GB is experiencing. There is value in continuing these conversations as we continue through this process.
39	Investigate possibility of uploading previous JESG Weekly Updates to the JESG Website	JESG Technical Secretary	Closed	Complete. Not currently possible however JESG Weekly Update 'Did you miss section' covers previous week's email.
40	Chris Fox (NGET) to liaise with Simon Reed (the GB Eurelectric Rep) re: April Balancing Meeting and arrange BSFG accordingly.	NGET	Closed	Complete.

Meeting Attendees

Name	Company
Barbara Vest	Chair
Sara-Lee Kenney	Technical Secretary
Alice Barrs	RWE
Allan Kelly	Mainstream RP
Alvaro Sauchez	Iberdrola Engineering and Construction
Antti Silvast	University of Edinburgh
Ben Hillman	Iberdrola Engineering and Construction
Campbell McDonald	SSE Generation
Deborah MacPherson	Scottish Power Energy Networks
Garth Graham	SSE
Graeme Vincent	Scottish Power Energy Networks
Hannah Smith	Scottish Power
Heather Stewart	Scottish Government
Helen Stack	Centrica
Joe Dunn	Scottish Power Renewables
John Costa	EDF Energy
John Parsons	BEAMA
Marian McSeveney	Scottish Government
Natasha Smith	Ofgem
Richard Woodward	National Grid Electricity Transmission (NGET)
Ronan Bolton	University of Edinburgh
Tom Cassells	Scottish Power Global Energy Management
Phone:	
Joe Parsons	DECC
Simon White	Smartest Energy