

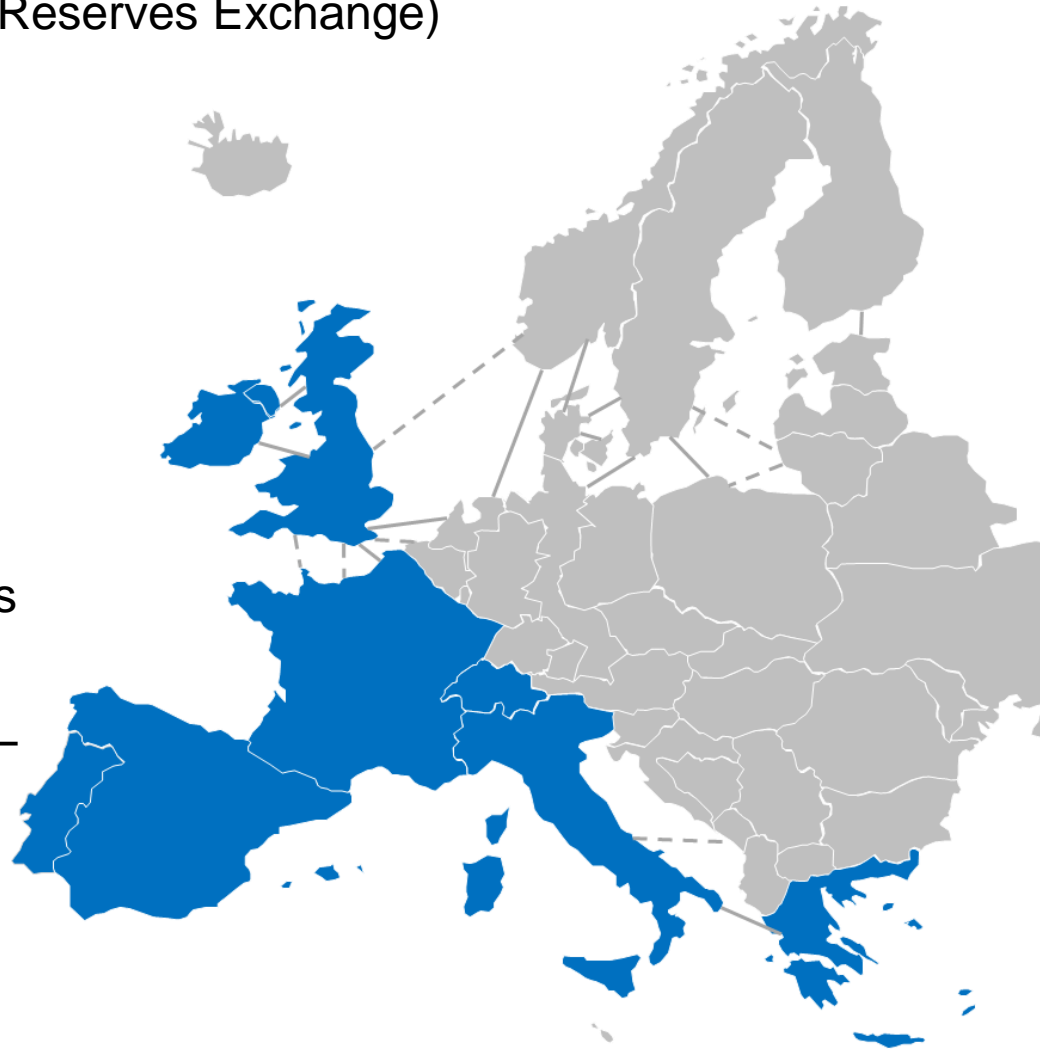
Project TERRE GB Implementation



nationalgrid

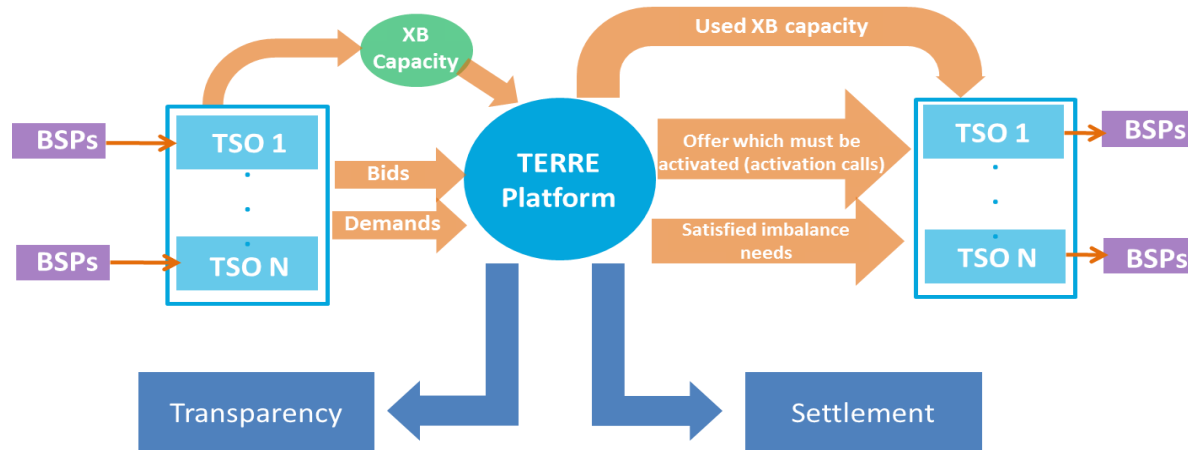
Project TERRE

- TERRE
(Trans-European Replacement Reserves Exchange)
- Currently 8 TSOs involved
- Leading early implementation pilot project for RR
- Will allow NG to meet the initial tranche of deadlines in the NC EB
- Form the basis for subsequent phases to meet other obligations stretching out to 2023
- All French & Irish I/Cs involved – Replacing SO-SO trading
- Significant IS project at EU, GB

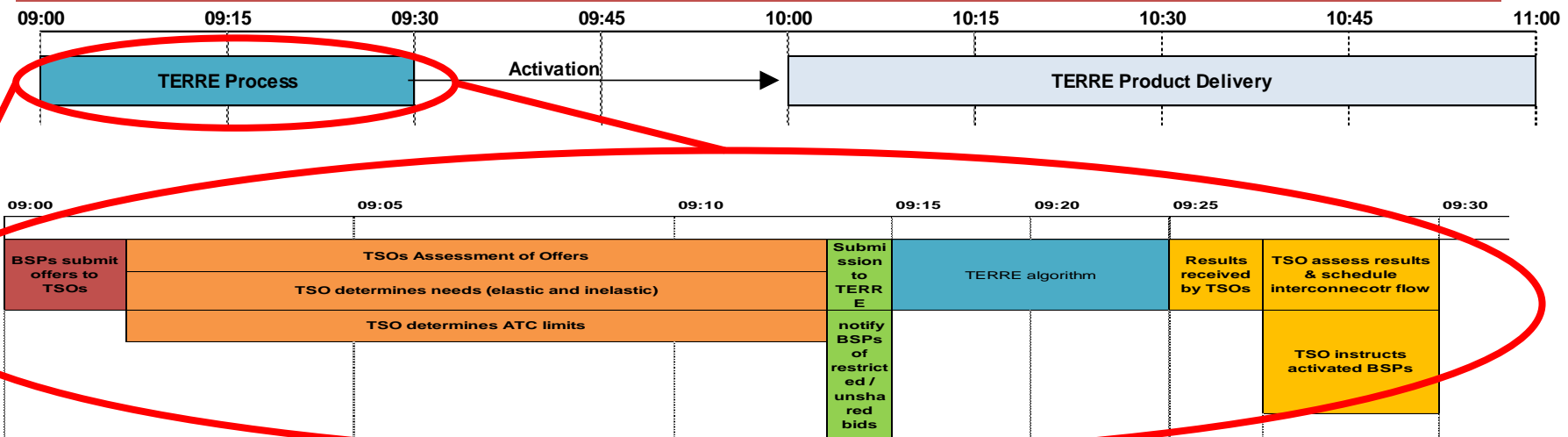


TERRE Process

Process



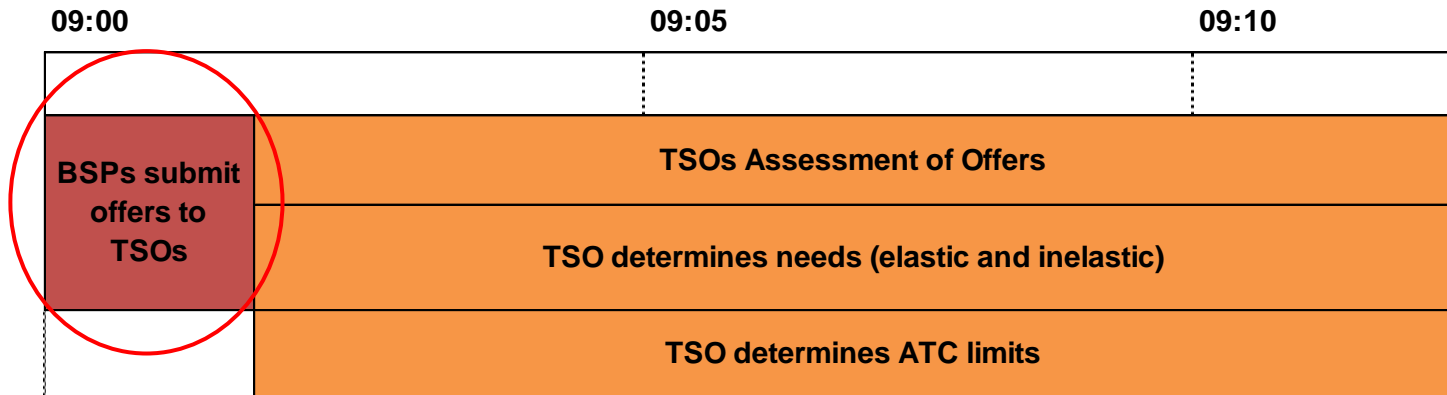
Timing



Local Process Steps

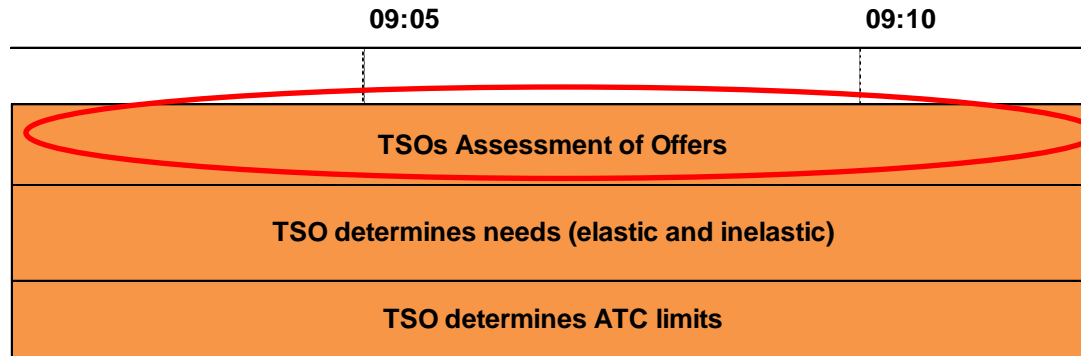


1. BSPs Submit Offers to NGET



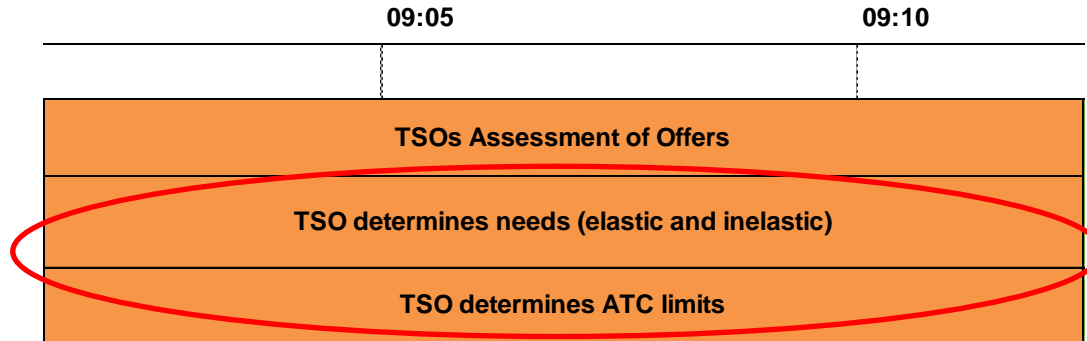
- BSPs to submit offers to NGET in € (TBC)
- Submitted via EDT* mechanism
- Submissions to be received prior to Gate Closure (although could be 5 mins later due to timing overlaps with XBID project)
- Data can be submitted up until 05:00 D+1 (same as BOAs)
- BMUs capacities offered into both BOAs and TERRE
- BMU and non-BMU participants able to submit offers

2. NGET filters offers



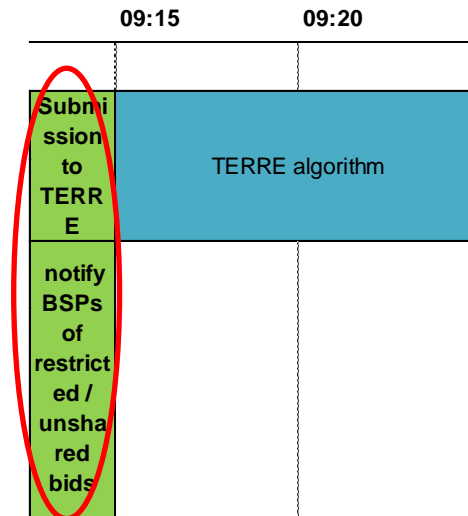
- Offers will be assessed for security by NGET
- Offers by BSPs can be:
 - Unshared: if NGET wish to keep highest cost bids back for own use (subject to volume restrictions related to procured volumes of reserves)
 - Restricted: As a result of physical constraint on the system

3. NGET determines balancing needs



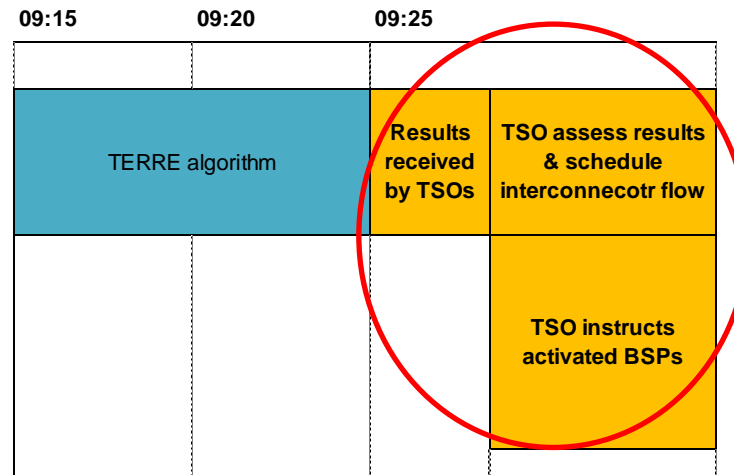
- Max size of need should be less or equal to the sum of the shared offers made in the same direction
- Two types of need can be submitted:
 - Inelastic: not priced (volume absolutely required by TSO)
 - Elastic: NGET will set a min / max price that they are willing to receive/ pay to satisfy needs
- A joint process with RTE, NGIC and NGET will determine the ATC limits for TERRE
- NGET can also express negative ATC values / flow limits to TERRE which will re-dispatch the I/C to a new position using TERRE products – whilst maintain system balance

4. NGET submits data to TERRE platform and central algorithm runs



- NGET can submit needs up until 45 minutes before real-time
- NGET will notify BSPs of any restricted or unshared bids via extension of existing EDT accept – reject mechanism
- Submission of needs will be firm
- Submissions will include details of unshared / restricted bids and ATC limitations
- Netting and matching performed by algorithm
- Pay as clear price established

5. NGET receive results from TERRE platform



- Platform will send request for offer activations to NGET (volume and price)
- NGET will also receive updated Interconnector flows
- NGET will then communicate these activations to BSPs through existing EDL* mechanism, in the form of bid-offer acceptances
- These BOA instructions will have a TERRE flag for the purposes of BSC processes managed by Elexon (e.g. to be settled at clearing price not bid price)

Project TERRE: E2E Process & Business Requirements



TERRE Impact Assessment

What

Highlight the high level impacts of the overall TERRE process on GB Codes, business processes and systems

How

Look at the high level End-To-End TERRE process, break it down into smaller process steps, identify business requirements

Why

Provide a better understanding of the wider impacts of project TERRE to the GB market arrangements in order to facilitate the implementation of P344 and cross code/functional working

Impact Assessment Template

- **Business process steps:** what are the high level steps of the process? (For each of these define the detailed steps)
- **Business Requirement (BR):** what are the BRs that sit behind each step?
- **Who:** who do these BRs apply to?
- **GB Codes:** which GB Code(s) will this impact?
- **Assumptions:** are we basing these BRs on any assumptions?
- **Unknown/Uncertainty:** do we need any additional information to progress – if so what?

Progression Plan

15 August 16

P344 WG meeting: share the purpose of the Impact Assessment and the proposed plan

5 September 16

Circulate Impact Assessment to P344 WG members for comments

19 September 16

Deadline for comments by P344 WG members

30 September 16

Impact Assessment to be completed and ready for submission to BSC Panel in October