

Headline Report

Meeting name	Balancing Stakeholder Focus Group (BSFG)
Meeting number	1
Date of meeting	20 January 2015
Location	Elxon Offices, 350 Euston Road, London, NW1 3AW

This note sets out the headlines of the most recent meeting of the Balancing Stakeholder Focus Group (BSFG), which is a sub-group of the Joint European Standing Group (JESG). The note is provided in addition to the agenda from the meeting which are available on the JESG website¹, presentations from the meeting will be circulated to the BSFG mailing list. If you wish to be added to the BSFG mailing list please contact europencodes.electricity@nationalgrid.com.

1. BSFG Action Log Review

The current version of the BSFG Action Log, including any additions from this meeting, follows this Headline Report.

2. BSFG Draft Terms of Reference:

- Chris Fox (NGET) presented the draft Terms of Reference for the BSFG, stakeholders gave their views which will be incorporated into a 2nd draft to be circulated to meeting attendees for comment prior to finalisation.
- Once finalised the BSFG Terms of Reference will be published on the JESG website.

3. TSO-TSO Model vs TSO-BSP Model

- Some stakeholders expressed concerns about the financial neutrality of the TSO in the TSO-TSO Model and asked for an update on ACER's current thinking on the models proposed in the NC EB.
- Grendon Thompson (Ofgem) confirmed that the TSO-TSO Model is the foundation of the NC EB in its current form and TSO financial neutrality is paramount.

4. ENTSO-E Stakeholder Advisory Group Update

- Simon Peter Reid (Scottish Power) introduced himself as the Energy UK representative at the ENTSO-E Stakeholder Advisory Group meeting
- An overview of the pilot projects across Europe was provided and information as to where presentations could be found was shared with meeting attendees (see below²)

5. Project TERRE Update

- Stakeholders had queries about whether Project TERRE could work with the current balancing mechanism – Chris Fox (NGET) commented that this would depend on how GB implementation takes place
- An overview of the TSOs responsible for the work packages within project TERRE was given
- There were also concerns over the transparency of the CMO and questions as to whether the algorithm would be externally audited
- Similar issues related to independent auditing were raised for the CBA
- Questions were raised over who would receive inter-marginal rents in cases where the marginal price is different in an area due to congestion

¹ <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/Joint-European-standing-group/>

² <https://www.entsoe.eu/major-projects/network-code-implementation/cross-border-electricity-balancing-pilot-projects/Pages/default.aspx>

6. Standard Products Update

- General question raised by stakeholders around how many balancing products currently used by NGET correlate with the current ENTSO-E list of standard products
- Some concerns related to minimum bid size were raised – clarification sought on the impact of TSOs being able to define this
- The three approaches that WGAS are currently investigating for settlement of standard products were presented: block product, standardised physical product and declared physical product
- Feedback from stakeholders was received, with some concern as to the unpredictability of the imbalance costs BSPs could be exposed to if the block solution was used, as well as concerns around how the settled ramp-downs would work if consecutive bids were accepted using the physical products

7. AOB

- The sharing of meeting documentation was discussed and a proposal will be outlined in the draft Terms or Reference for approval by the BSFG members.

8. Next meeting

The next meeting for the BSFG will be scheduled on the 16th March from 13:00 – 16:00, the day before the next ENTSO-E Stakeholder Advisory Group. The meeting will be held at Elexon Offices in London.

Registration details will be provided in the JESG Weekly Updates.

The actions log follows this report.

JESG Action Log

New and Open Actions

Action No	Action	Lead Party	Status	Update
1	Circulate 2 nd draft of BSFG ToR	NGET	Open	

Recently Closed Actions

Action No	Action	Lead Party	Status	Update

List of BSFG Attendees on 20 January 2015

First Name	Surname	Organisation
Chris	Alexander	Citizens Advice
James	Anderson	Scottish Power
Peter	Bolitho	Waters Wye Associates
Andrew	Colley	SSE
John	Costa	EDF Energy
Chris	Fox	NGET
Garth	Graham	SSE
Paul	Jones	E.ON
Marta	Krajewska	Energy UK
Martin	Mate	EDF Energy
Martin	Moran	National Grid BD
Sarah	Owen	Centrica
Ryan	Place	Elxon
Stephen	Powell	CER
Simon	Reid	Scottish Power
Jon	Robinson	DECC
David	Spillett	ENA
Esther	Sutton	E.ON
Grendon	Thompson	Ofgem
Lisa	Waters	Waters Wye Associates
Steve	Wilkin	Elxon
John	Young	NGET (Technical Secretary)
Elena	Mylona	DECC
Alex	Haffner	NGET (Chair)