

Headline Report

Meeting name	Joint European Standing Group (JESG)
Meeting number	3
Date of meeting	23 November 2011
Location	Elexon, London

This note sets out the headlines of the most recent meeting of the Joint European Standing Group (JESG).

1. **Grid Connection Framework Guideline.** The Framework Guidelines have already been approved by ACER for Grid Connections¹ and this will result in the following Network Codes:
 - Requirements for Generators – drafting commenced
 - Demand Connection Code – drafting team established
 - HVDC Connection Code – drafting not commenced
 - Connection Procedures Code - drafting not commenced

Requirements for Generators (RfG)

- The latest draft of the RfG Network Code was published on 27 October 2011 to provide full transparency of the preparatory work
- Comments received by ENTSO-E to the draft may be considered but will be deemed as informal and no dedicated answer will be provided to such comments
- A public consultation is expected towards the end of January 2012
- An updated copy of the frequently asked questions and a 'motivation and approach' paper will also be published together with the consultation
- There is an expectation that consultation responses will not be confidential to remain transparent
- The network code currently has generic requirements which allows specific parameters to be determined by the Transmission System Operators at a national level – it is anticipated that such parameters will be set using the usual Industry codes consultation processes
- Below are the key dates for meetings related to the RfG Network Code:
 - 10 Nov – EUR (EU Nuclear Owners)
 - 6 Dec - EWEA (Dusseldorf)
 - 7 Dec - DSOs Expert group
 - 20 Dec – Eurelectric & EU turbine (thermal plant manufacturers and owners) – Stuttgart
- There will be a host of regional workshops taking place on the Ten Year Network Development Plan (TYNDP) with 2 regions holding separate information sessions on the RfG Network Code. However these will be similar to the JESG meetings and will have a focus on the Network Codes specific to each individual region therefore may not be as relevant to GB stakeholders.
- A technical workshop will be held on 14 December 2011 in London to discuss the draft Network Code in more detail

Demand Connection Code

- The Demand Connection Code is to be completed by the end of 2012 or early 2013 and a drafting team has been established by ENTSO-E.
- The first draft will be ready for the stakeholder workshop in January 2012
- Services being considered include
 - Frequency response from temperature controlled demand e.g. refrigerators

¹ Grid Connections Framework Guidelines:

http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Public_Docs/Acts%20of%20the%20Agency/Framework%20Guideline/Framework%20Guidelines%20On%20Electricity%20Grid%20Connections/110720_FGC_2011E001_FG_Elec_GrConn_FIN_AL.pdf

- Electric vehicles for reserve services
- Low frequency demand disconnection

2. Transparency Guidelines.

- The European Commission have consulted on a set of guidelines² which will become mandatory, possibly next year.
- It is expected to place obligations on certain parties (e.g. generators and transmission system operators) to publish 'fundamental electricity data'.
- A key aspect of the Transparency Guideline is the "definitions paper" which is currently being produced by ENTSO-E.
- ENTSO-E will engage stakeholders to review the definitions paper with initiation expected around Q1/Q2 2012.
- A new data platform will be created by ENTSO-E to publish the required data.
- A competitive tender process will shortly be undertaken to identify suitable service providers for the delivery of the data platform
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REMIT – Regulation on Energy Market Integrity and Transparency

- New European legislation aims to:
 1. Prohibit insider trading
 2. Prohibit market manipulation
 3. Monitor trading activity
- Seminar was held in Ljubljana by ACER on 28 November 2011 to present its views on the implementation of REMIT

3. Capacity Allocation and Congestion Management (CACM) Framework Guideline.

- Will create a pan European electricity market by removing barriers for cross border trading subject to network constraints
- Does not integrate electricity balancing market
- Will set out the methods for allocating capacity in day-ahead and intra-day timescales
- Day ahead market – transfers between markets sold via implicit auctions
- Intraday market – allows parties to optimise position as close to real time as possible
- The draft code is being written and undergoing internal review
- First view of the day ahead code with stakeholders will be on 8 December 2011 in Brussels
- There will be a NWE stakeholders meeting in London on 9 December 2011
- Drafts will undergo internal governance in January/February 2012
- Consultation on the draft Network Code is expected in April 2012

4. System Operation Framework Guidelines.

- The framework guidelines³ were published on 6 December 2011 and will be finalised subject to agreement by the European Commission
- The consultation responses flagged that there were issues around integrating innovation into the guideline
- There were also concerns from respondents that the guidelines may be too broad and that they can be interpreted in different ways
- These responses were published on 5 December 2011 on the ACER website

5. Electricity Balancing Markets Integration Framework Guidelines.

- 2 expert group meetings have been held and the minutes from each meeting will be published shortly
- A workshop was held in Ljubljana on 24 October 2011 to seek views on the Framework Guideline
- The presentations and summary of the discussions can be found on the ACER website⁴

² ERGEG Transparency Paper

http://www.energyregulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/CLOSED%20PUBLIC%20CONSULTATIONS/ELECTRICITY/Comitology%20Guideline%20Electricity%20Transparency/CD/E10-ENM-27-03_FEDT_7-Dec-2010.pdf

³

http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Stakeholder_involvement/Public_consultations/Closed_Public_Consultations/PC-05%20-%20FG%20on%20System%20Operation/Final%20Version%20of%20the%20FG

⁴

http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Stakeholder_involvement/Events/ACER_Workshop_on_Electricity_Balancing_Framework_Guidelines

- A consultation on the EBMI FG will be issued in February/March 2012 and more content should be brought to the January or February JESG for discussion.

6. New Framework Guideline

- The European Commission will start looking at drafting a new Framework Guideline on tariffs in 2012
- The Florence School of Regulation have been asked to develop this and the EC will use the analysis to determine the scope of the FG
- It will be unlikely to go through the standard Network Code development process as it directly affects TO's revenue streams. Therefore the EC will lead on the drafting and pass it through to Comitology.

7. Next meeting.

- The next meeting will be held on 25 January 2012 at Elexon's offices in London

The issues log can be found on the next page

Actions & Issues Log

Action No	Action	Lead Party	Status
1	What is the process for changing the individual Network Codes? E.g. after Comitology	Alicja Buczkowska	
2	Investigate the creation of a technical subgroup for RfG	NGET	Complete
3	Circulate link to ACER's roadmap when it becomes available	Alicja Buczkowska	
4	Check whether an invitation is required to attend the Florence forum, if so is it possible to request an invitation?	Alicja Buczkowska	
5	Determine the priority issues within the issues log	Barbara Vest & Ian Pashley	
6	Presenters to investigate providing speaker notes in future presentations	All	
7	Investigate whether it is possible to provide a comparison between the Grid Code and the RfG Network Code	NGET	In progress

Issue No	Issue
1.	How do the Network Codes align with the individual framework Guidelines?
2.	RfG – Current Grid Code obligations for GB generators vary on whether they are Small, Medium or Large. The RfG drafting has four categories; A,B,C and D. Is this graded approach appropriate?
3.	RfG - What is the GB governance process to be used when determining what criteria will be used to determine the various classes of Significant Grid Users (i.e. A,B,C or D)?
4.	RfG – The precise methodology for the Cost Benefit Analysis that will be used by GB to determine whether to apply European obligations retrospectively will not be set by the RfG Network Code.
5.	RfG - How will it be possible to demonstrate that the Grid Code complies with the Network Code? Any flexibility may cause further debate
6.	Concerns over the mechanism for the publication of data under REMIT
7.	RfG – Some parameters within the NC can be set anywhere within a range, by each synchronous zone (i.e. Great Britain). How will the GB parameters be set under? And by who?
8.	RfG - The parameters for the reactive power range may be too inflexible and should therefore be future proofed
9.	RfG – A proportion of parameters and obligations that are currently in the Grid Code can remain the same if the current draft for the RfG NC was implemented. But which parameters would HAVE to be changed if the current draft was applied?
10.	RfG – The proposed frequency operating range for GB looks more onerous than those specified for the other synchronous zones.
11.	RfG – The minimum threshold for Type B Users in GB has been set at 1MW. What is the justification for this?
12.	RfG – Does the proposed drafting for Article 9 Paragraph 2(a)(1) of the RfG NC comply with the current GB obligations around Electronic Despatch Logging (EDL) in the Grid Code?
13.	RfG – Article 9 paragraph (b) concerns the provision of inertia and contains the wording

	"may be required" which is very open. However the decision whether Synthetic Inertia is required will be delegated to the national level.
14.	RfG - The RfG Network Code in its current form is not as clear as it could be
15.	CACM - There is no common gate closure across Europe which may cause issues with cross border trading