## Joint European Stakeholder Group



Tuesday 21 November 2017 Meeting 25

London



ID	Title	Lead	Time
1	Welcome & Introductions	Chair	10:00 -10:05
2	<ul> <li>National Grid Update:</li> <li>CACM Coordinated Re-dispatching &amp; Countertrading methodology;</li> <li>SOGL Data Exchange and KORRR;</li> <li>SOGL overview (methodologies and mods).</li> </ul>	Rob Selbie (National Grid)	10:05 – 10:35
3	<ul> <li>Ofgem update:</li> <li>Intraday Cross Zonal Gate Times (IDCZGT);</li> <li>Cross Zonal Intraday Capacity Pricing (CZIDCP).</li> </ul>	Thomas Jones (Ofgem)	10:35 - 10:55
4	Review of Actions log	Andrew Hemus (JESG Technical Secretary)	10:55 -11:05
5	Future Meeting Dates & Agenda Items	Andrew Hemus (JESG Technical Secretary)	11:05 -11:25
6	Stakeholder Representation	Chair	11:25 -11:35
7	Any Other Business	All	11:35 -11:50

## **1. Welcome & Introductions**

Barbara Vest Independent Chair

### European Network Codes National Grid Update – November 17

21<sup>st</sup> Nov Rob Selbie

## European Network Codes nationalgrid National Grid Update – November 17

- CACM Coordinated Re-dispatching & Countertrading methodology;
- SOGL Data Exchange and KORRR;
- SOGL overview (methodologies and mods).

### CACM Coordinated Redispatching & Countertrading methodology

21<sup>st</sup> Nov Rob Selbie

### **CACM Countertrading Methodology**

- Overview of Methodology
- Main Principles
- Operational Risks
- Timeline
- Feedback and questions

### **Overview of Methodology**

Establishes a common and coordinated process for the Redispatching (RD) and Countertrading (CT) by defining a set of harmonised rules for congestion management and as such serves the objective of promoting effective competition in the generation, trading and supply of electricity in accordance with Article 3(a) of the CACM Regulation.

### **Main Principles**

- Redispatch &Countertrading (RD&CT) is performed by changing the setpoint of the interconnector
  - Resulting in an imbalance at both sides of the interconnector
  - To be resolved by activation of bids (i.e. RD&CT Actions)
- RD&CT methodology scope is limited to solving physical congestions
- Regional Security Coordinators (RSCs) have important role (coordination + propose efficient and effective RD&CT actions)
- TSOs to share non-binding information on available volumes & prices for RD&CT
- Clear link to SO GL (operational security analysis...)  $\rightarrow$  Art. 75 / 76
- Regional Security Coordinators are envisaged to be organisations such as Coreso and TSCNet

### **Operational Risks**

- Physical Congestion primary risk related to the resolution of "physical congestion". This follows the definition in CACM and the scope of the project. From an NGET perspective we would be limited to using the methodology for thermal and voltage constraints.
- Other operational concerns at present the interconnectors are moved for ROCOF, footroom and headroom which is not covered under this methodology. Further agreements with RTE/Tennet/IFA/Britned/Elia to be able to move the ICs for footroom and headroom.

#### **Timelines** Submission Today Submissi Consultation on Period Drafting Drafting to 1 December – Regulator 12 January S 21<sup>st</sup> Nov 17 Mar 2018

- CACM methodology required for submission to regulator 16 months after CCR decision 17<sup>th</sup> March 2018
- Consultation will open 1<sup>st</sup> December and close 12 January 2018. Details of the consultation will be forwarded to stakeholders
- Proposal only relates to Channel region (Nemo Link, IFA and BritNed). Other regions will be covered in different proposals.

### SOGL Methods and Modifications National Grid Nov 17



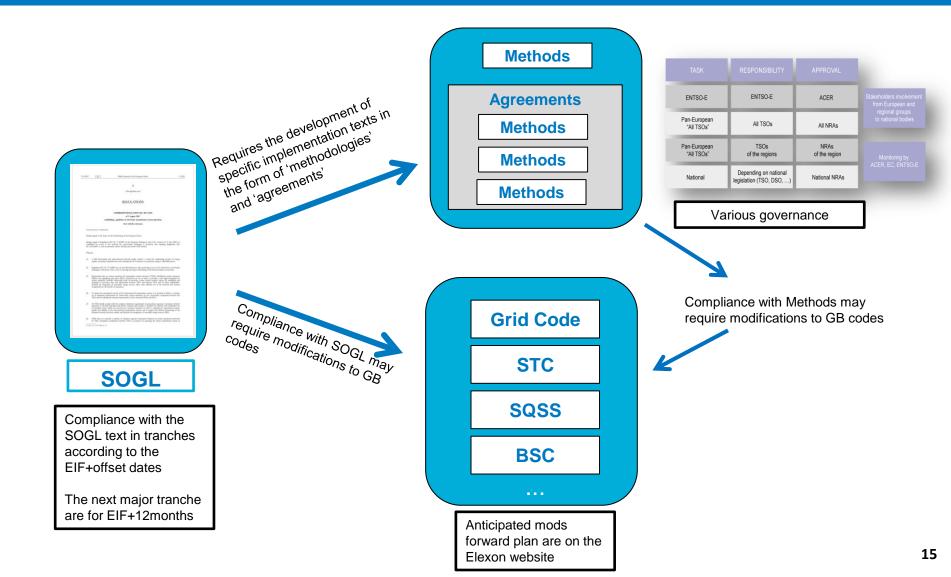
### **SOGL Methods and Modifications**

- ENCs and Methods explained
- SOGL compliance & methods
- Table of methods and Agreements
- [Potential] GB Mods from Methods
- Mods in more detail

- The SOGL requires a number of methods to be developed for specified post-Entry-into-Force dates.
- The guideline recognises 'procedures', 'methods' and 'agreements'
- Agreements tend to be one or more documents holding a group of 'methods'.
- Methods and Agreements can be National, Multi-National (regional) or Pan-European in nature.
- Pan-European and for some regional agreements and methods are managed through ENTSO-E

TASK	RESPONSIBILITY	APPROVAL	
ENTSO-E	ENTSO-E	ENTSO-E ACER	
Pan-European "All TSOs"	All TSOs	All NRAs	regional groups to national bodies
Pan-European "All TSOs"	TSOs of the regions	NRAs of the region	Monitoring by
National	Depending on national legislation (TSO, DSO,)	National NRAs	ACER, EC, ENTSO-E

#### European Network Codes National Grid – Nov 17



### European Network Codes National Grid – Nov 17

Article	Deadline	Deadline SO Guideline: key implementation activities		2017		2018				2019									
			s o	N	D	JF	MA	м	1 1	A	s o	N	ΓD	F	MA	м.	I I	A	
		Pan-European activities																	
.2	12 months	Implementation monitoring: development of list of relevant information to be communicated by ENTSO-E to ACER																	
.2	12 months	Implementation monitoring: comprehensive standardised format, digital data archive of the information required by ACER																	
.6	6 months	Key organisational requirements, roles and responsibilities in relation to data exchange																	
.1		Process for developing a common list of year-ahead scenarios																	
.1	6 months	Methodology for building the year-ahead common grid models from the individual models and for saving them																	
.1	6 months	Methodology for building the day-ahead and intraday common grid models from the individual models and for saving them																	
.1	12 months	Methodology for coordinating operational security analysis	W																
.1	12 months	Methodology for assessing the relevance of assets for outage coordination	W																
4.1	24 months	Implementation and operation of OPDE																	
4.2	6 months	Harmonised data format for data exchange which shall be integral part of OPDE																	
5.1		Development of OPDE module for outage coordination																l	
7.1		Development of OPDE module for adequacy assessment																l	
3.4		Preparation for publishing the data on operational agreements, frequency quality, load-frequency										П						ĺ	
		control structure and reserves on Transparency Platform																	
		Regional activities on synchronous area level																l	
	18 months	Agreement with non-EU TSOs setting the basis for their cooperation concerning secure system operation and setting the arrangements for the compliance of the non-EU TSOs with the attraction is 2001.																	
.2	12 months	obligations in SOGL	+	$\dashv$	+	+		╋	+	┿				-					
.3.a	2 years	Coordination of dynamic stability assessments		$\dashv$	+	+		╋	+	╈	_	-		1				ł	
3.b	2 years 2y. 6 months	Study for identifying whether minimum required inertia needs to be established Methodology for the definition of minimum inertia required to maintain operational security and			-													ľ	
.5.0	zy. o monins	prevent violation of stability limits																	
8.1	12 months	Methodologies, conditions and values included in synchronous area operational agreements										ini i		in i	10				
.2	4 months	Determination of LFC blocks										_	_	_					
5.11	6 months	Assumptions and methodology for a CBA to be conducted to assess the minimum activation time of FCR - in CE and Nordic synchronous areas	+																
6.11	12 months after approval of	Cost-benefit analysis suggesting the minimum FCR activation period																	
	CBA																		
	methodology	Perioral activities on CCP level												$\square$	+-			į	
1	3 months after	Regional activities on CCR level																l	
	approval of																		
	CSA	Common provisions for regional operational security coordination																	
	methodology																		

SO GL Method Description	Which GB Code To be Applied	Modification Reference	Anticpated Date to Raise at Code Panel	Anticipated likelihood
	Grid Code			no mod expected
Determination of Minimum required	STC			no mod expected
Inertia	SQSS	ТВС	Q4 2018	moderate likelihood
	Distribution Code			no mod expected
	Grid Code / D-Code	GC0106	raised 12/10/2017	Proposal Stage
SOGL requirements for data exchange	STC	ТВС	Q3 2017	very low likelihood
	SQSS			no mod expected
	Grid Code	ТВС	Q2 2018	high likelihood
Regional Outage Coordination and	Distribution Code	ТВС	Q2 2018	high likelihood
Security Analysis [CSA]	ysis [CSA] SQSS TBC Q2 2018		Q2 2018	very low likelihood
	STC	ТВС	Q2 2018	very low likelihood

SO GL Method Description	Which GB Code To be Applied	Modification Reference	Anticipated Date to Raise at Code Panel	Anticipated likelihood
	Grid Code	ТВС	2020	Low likelihood
Potential change to reflect needs of Reserve Prequalification and	STC	ТВС	2020	No mod expected
Minimum Technical Requirements	SQSS	ТВС	Q2 2018	very low likelihood
	Distribution Code TBC Q2 2018		Low likelihood	
	Grid Code	ТВС	Q2 2018	very low likelihood
Potential change to reflect needs arising from the Synchronous Area	STC	ТВС	Q2 2018	No mod expected
Operating Agreement and LFC Block Operating Agreement	SQSS	ТВС	Q2 2018	very low likelihood
	Distribution Code	Distribution Code TBC		very low likelihood
	Grid Code	ТВС	Q2 2018	No mod
Methodologies for building Common	STC	ТВС	Q2 2018	expected /
Grid Models	SQSS	ТВС	Q2 2018	extremely
	Distribution Code	ТВС	Q2 2018	low likelihood

SOGL Methodology -Forward notification of "LFC Block structure" method

#### National Grid Nov 17

# nationalgrid

21<sup>st</sup> Nov Rob Selbie

		_				20	17							201	18	
		TSOG deadline for end of production	TSOG deadline date	EU or GB led	9	10	11	12	1	2	3	4	5	6	7	8
GB proposal for determination of LFC Blocks	Article 141(2)	EIF + 4 months	Jan 2018	GB				*	4						X	

- SOGL Article 141(2) requires the TSOs of each Synchronous Area to determine the responsibilities and structure of 'process responsibility structure' by EIF+4 with 1 month consultation followed by NRA approval.
- The need for this methodology is to accommodate complex pyramids of TSO responsibilities in CE and to a lesser extent in the Nordic region; whilst in GB, NGET as the GBSO is responsible for all functions in the hierarchy.

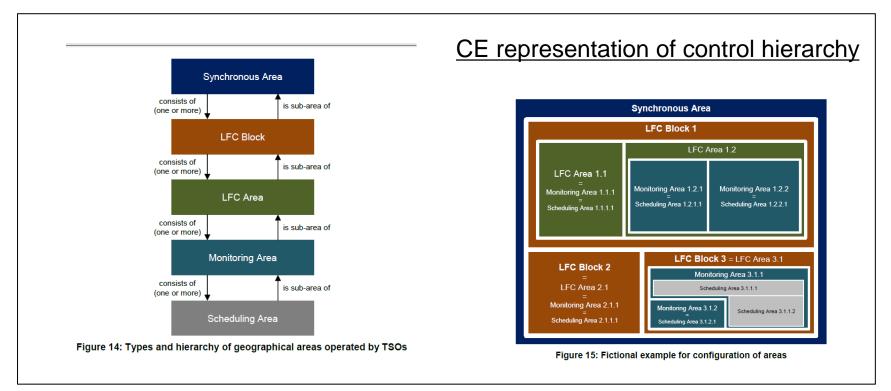
#### <u>Timeline</u>

- It is proposed that this methodology will be made available for consultation in December and discussed at the December JESG
- The Methodology will need to be sent to OFGEM by 14<sup>th</sup> Jan 18

Final LFCR Supporting Paper

nationalgrid

The concepts and needs (driven by Continental Europe are best explained in the original LFC&R network code, supporting document). LFC&R; OS and OP&S were all amalgamated into a single SO GL text.



GB has a single SO responsible for all activities at all levels



Please note that CE and other Synchronous Areas will be consulting through November and December also.

Please look to the ENTSO-E website for more information.

#### Synchronous Area Great Britain LFC blocks, LFC areas and monitoring area

The synchronous area Great Britain shall consist of the LFC blocks, LFC areas and monitoring area set out in Table 1.

Country	TSO (full company name)	TSO (short name)	Monitoring Area	LFC AREA	LFC Block
Great Britain	National Grid Electricity Transmission plc	NGET	NGET	NGET	NGET

The proposed GB structure

Table 1: List of Monitoring Areas, LFC Areas and LFC Blocks

### Data Exchange Modifications update

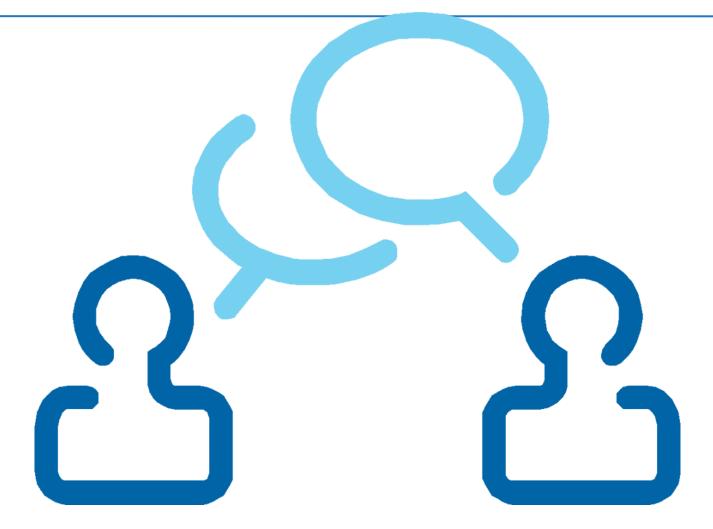
### **SOGL Data Exchange (KORRR)**

- Seeking stakeholder views on key organisational requirements, roles and responsibilities (KORRR)
  - Consultation closes on 1 December <u>https://consultations.entsoe.eu/system-operations/korrr/</u>
  - An ENTSOE stakeholder workshop on data exchange was held on 14 November
    - maintain legal consistency between KORRR and SOGL
    - KORRR should not be more stringent than SOGL
    - Clarity on aggregation and real time definitions
  - KORRR submission to NRAs 14 March 2018

### SOGL Data Exchange (GC0106)

- Grid code modification proposal GC0106 has been raised to cover GB changes arising from SOGL Articles 40-53.
  - First GC0106 workgroup was held on 2 November with the aim of giving an initial view of expected changes and feedback to KORRR consultation
  - Next workgroup is on 6<sup>th</sup> December to conclude the applicability and scope of Data Exchange for GB
  - Preliminary code mapping done under GC0095
  - Detailed code mapping will follow after final KORRR proposal.

### **Feedback & questions**





#### **CACM Guideline Regulatory Assessments**

Presentation to JESG





27<sup>th</sup> October: Decision Letter for amended Intraday Cross Zonal Gate Timings proposal (IDCZGT)

#### Decision to request the Agency for Cooperation of Energy Regulators (ACER) to adopt a decision on IDCZGT.

This was on the basis that Regulatory Authorities agreed that TSOs had not fully taken into account the requests for amendments set out in our initial decision in June.

The relevant decision letter is on the Ofgem website: https://www.ofgem.gov.uk/publications-and-updates/decision-amended-intraday-crosszonal-gate-timings-proposal

## ofgem Making a positive differenc CACM methodology assessments

#### <u>13<sup>th</sup> November: Received four amended All Nominated Electricity Market Operator</u> (NEMO) proposals

- Price coupling algorithm proposal
- Products for Day Ahead coupling
- Products for Intraday coupling
- Day ahead back-up methodology proposal

These were submitted following our original decision in August to request amendments to the proposals. You can view this decision on the Ofgem website: <a href="https://www.ofgem.gov.uk/publications-and-updates/decision-all-nemos-proposals-price-coupling-and-continuous-trading-matching-algorithms-products-harmonised-minimum-and-maximum-clearing-prices-and-back-methodology">https://www.ofgem.gov.uk/publications-and-updates/decision-all-nemos-proposals-price-coupling-and-continuous-trading-matching-algorithms-products-harmonised-minimum-and-maximum-clearing-prices-and-back-methodology</a>





#### <u>IDCZGT</u>

The Agency has six months from Regulatory Authorities' referral to reach a decision (April 2018). Through this time they will be consulting NRAs and TSOs.

#### NEMO proposals

All Regulatory Authorities have two months from the submission of proposals to consider and come to a decision (~13 January 2018).

Any questions: <a href="mailto:thomas.jones@ofgem.gov.uk">thomas.jones@ofgem.gov.uk</a>



#### All TSOs methodology for Intraday Cross-Zonal Capacity Pricing

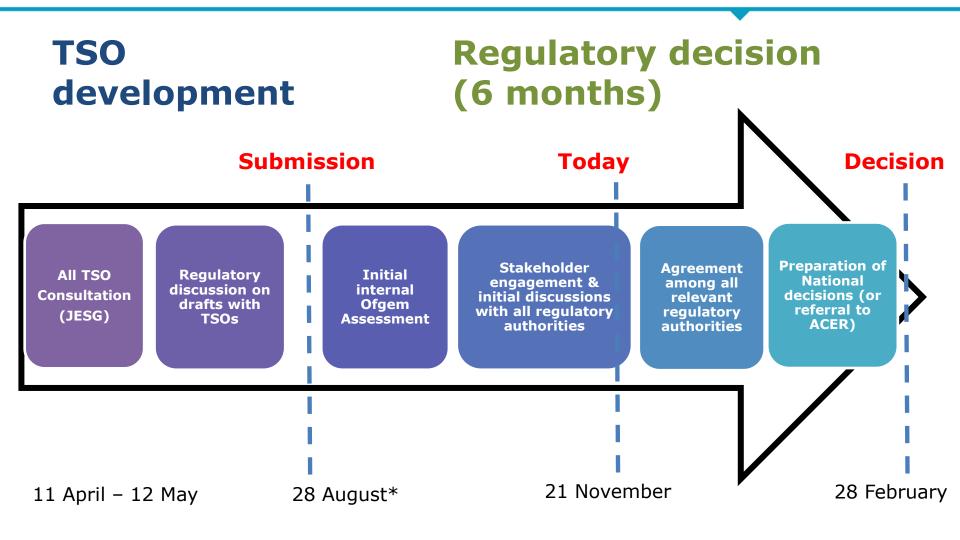




- Timeline for decision on TSO proposal for Intraday
   Capacity Pricing
- Share our initial (informal) views on the proposal
- Feedback from JESG to inform our assessment



**Timeline for Decision** 



\* Receipt by the last Regulatory Authority



- 1. The **hybrid model** (i.e. combination of implicit auction(s) and continuous trading) appears as the most **pragmatic approach**, given the technical difficulties of developing a pricing solution within XBID.
- 2. We are still examining the optimal **timing** and **frequency** of those cross-border intraday implicit auctions, taking into consideration:
- i. ACER's decision on Cross-Zonal Intraday Gate Times
- ii. A balance between pricing capacity frequently enough to capture possible changes in the market fundamentals Vs disruption and liquidity impacts on continuous trading



 Please send any final comments to Marcelo Torres <u>marcelo.torres@ofgem.gov.uk</u> by Friday 24<sup>th</sup> November

 Ofgem to complete assessment and seek consensus with other relevant Regulatory Authorities

• National decisions due by 28<sup>th</sup> February 2018

## **4. Actions log**

Andrew Hemus JESG Technical Secretary

## **JESG Standing items**

ID	Торіс	Lead Party
S1	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair
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 / BEIS
S3	Share any intelligence about how other member states are approaching demonstrating compliance through information gained from other government departments, regulators or parent companies	BEIS / Ofgem / Industry parties with European parent companies
S4	Stakeholders are requested to provide specific examples of inconsistent or problematic definitions in the Network Codes to Ofgem (Thomas.Jones@ofgem.gov.uk).	All Stakeholders
S5	Cross GB Codes ENC Changes Coordination. Step 1 engage Code Administrators, highlight to code leads	Code Administrators and JESG Technical Secretary

## **JESG Open Actions**

ID	Торіс	Lead Party	Status	Update
68	HC to facilitate with EirGrid to attend a future meeting to provide an update on ISEM impact on interconnectors.	EirGrid	Open	
71	JB to review the discharging of obligations in Article 56 and check how this aligns with existing Grid Code requirement and report back at a future JESG	James Bradley, National Grid	Open	
74	The JESG discussed options for housing various methodologies on the website at the October 2017 JESG. Rob Selbie of National Grid agreed to produce a strawman and present back a proposal at a future JESG meeting.	Rob Selbie, National Grid	Open	ENTSO-E have agreed to host all proposals on their website

## 5. Future Meeting Dates & Agenda Items

Andrew Hemus JESG Technical Secretary

## **Future JESG Meetings (London)**

- As always registration is required and will be opened through the JESG Weekly updates.
- Stakeholders are invited to put forward agenda items for the forthcoming JESG meetings:

Date	Proposed Agenda Items
Tuesday 12 December	<b>XBID Update – Mark Pickles</b> (National Grid)

## Joint European Stakeholder Group

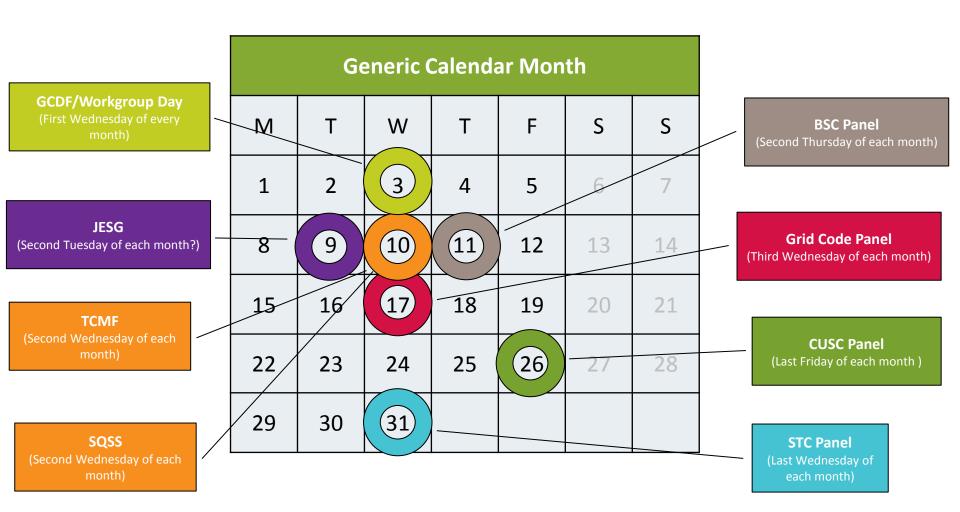






Future meeting dates

## **Industry Dates**



## **6. Stakeholder Representation**

All

