

Joint European Stakeholder Group



Monday 24th April 2017: Meeting 19

Elexon, London

1. Welcome & Introductions

Rob Wilson
Chair

2. GB Implementation Plan

Jemma Williams

Elexon

Public

European Network Code Implementation Plan

JESG

24 April 2017
Jemma Williams

ELEXON

ENC Impacts on GB Code

Code	Acronym	Code Administrator	Changes
Balancing and Settlement Code	BSC	ELEXON	1 Live Modification 13 Potential Modifications
Connection and Use of System	CUSC	National Grid	2 Potential Modifications
Distribution Code	Dcode	Energy Networks Association	1 Live Modification 9 Potential Modifications
Distribution Connection Use of System Agreement	DCUSA	Electralink	No impacts identified
Grid Code	GC	National Grid	5 Live Modifications 5 Potential Modifications
independent Gas Transporters' Uniform Network Code	iGT UNC	Gemserv	No impacts identified
Master Registration Agreement	MRA	Gemserv	No impacts identified
Smart Energy Code	SEC	Gemserv	No impacts identified
Supply Point Administrator Agreement	SPAA	Electralink	No impacts identified
System Operator – Transmission Owner Code	STC	National Grid	3 Potential Modifications
Uniform Network Code	UNC	Joint Office of Gas Transporters	No impacts identified
<i>Other – System Security and Quality of Supply Standards</i>	<i>SQSS</i>	<i>National Grid</i>	<i>1 Live Modification</i>

3. TSO proposals on gate timings, fallback and day-ahead firmness deadline

Thomas Jones

Ofgem

CACM methodologies

TSO methodologies: Update to JESG

Thomas Jones
April 2017

Thomas.Jones@ofgem.gov.uk

ofgem

Aim of today

- Update on TSO proposals under assessment
 - Minded to views
- Timeline for national decisions
- Feedback from JESG

Received 14 December 2016

- Fallback procedures x 2
- Intraday Cross Zonal Gate Times
- Day Ahead Firmness Deadline

Capacity Calculation
Region proposals
(Channel & IU)

Decision due: June 2016

All TSO proposals

Not submitted

- Scheduled exchange x2
 - Ongoing work with ACER to understand if this could be an issue

Received 18 April 2017

- Amended Congestion Income Distribution Methodology (CID M)
 - Decision due by 18th June 2017

Received 20 April 2017

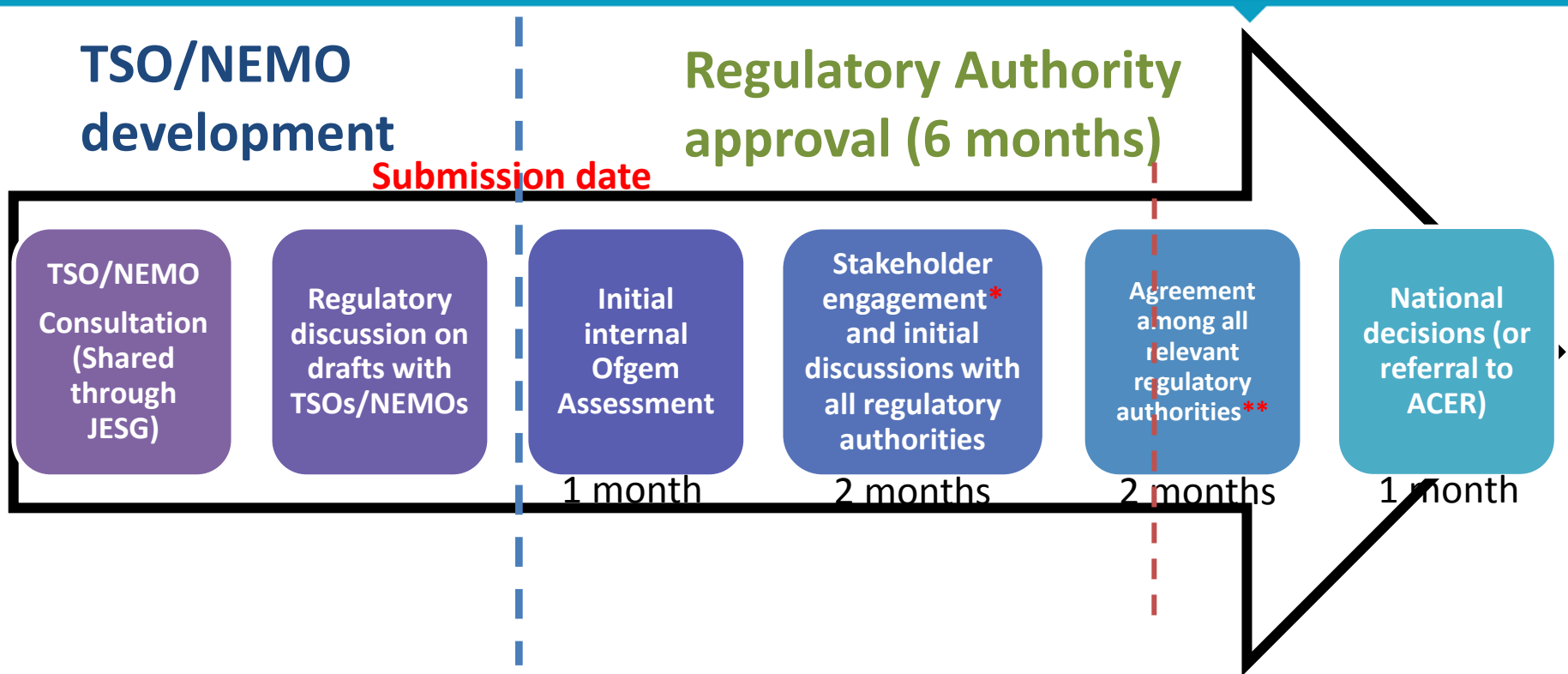
- Harmonised Access Rules
 - (including border specific annexes)
- Single Allocation Platform

- Long term transmission rights

All TSO proposals

Capacity Calculation
Region proposals
(Channel & IU)

Recap of Jan: Indicative Regulatory Authority Approval Process



* Through JESG, we may also consult on proposals in line with our Consultation Guidance.

** This may be done bilaterally in the case of regional decisions, or through the 'Energy Regulators' Forum' (ERF), established by regulators for the purpose of seeing unanimous agreement on terms, conditions and methodologies that require agreement among all regulators authorities under the guidelines.

Intraday Cross Zonal Gate Times (IDCZGT): Minded to views

- Intraday Gate Opening Time: **22:00 CET (21:00 GB)**

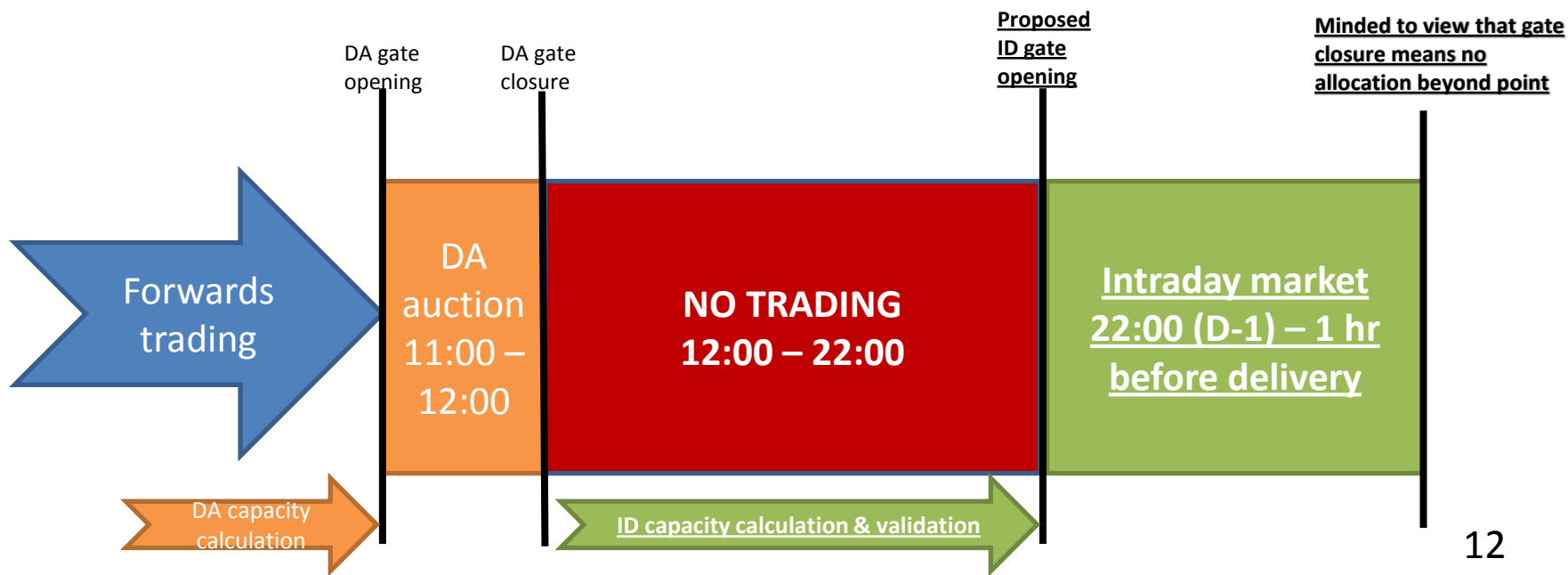
Option to move earlier on a CCR basis. Earlier time to be submitted with Capacity Calculation Methodology (Due in September). **We have serious concerns about potentially restricting the time that intraday capacity is available in the market.**

- Intraday Gate Closure Time: **1hr before delivery**

Interpretation of bid submission vs last capacity allocated left open. **We have a strong concerns with allowing capacity allocation to take place beyond gate closure (“bid submission” interpretation)**, because of the potential interactions with project TERRE (Trans European Replacement Reserve Exchange) and other balancing processes.

Given these two main concerns; request for amendment expected.

Figure 1: Gate opening time in context of trading market (Central European Time)



Fallback Procedures & Day Ahead Firmness Deadline

Fallback

CACM: “each TSO, in coordination with all the other TSOs in the capacity calculation region, shall develop a proposal for **robust and timely fallback procedures** to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead coupling process is unable to produce results.”

- Channel region (France, Netherlands and UK): Solution is to hold explicit auctions
- IU region (Ireland, Northern Ireland and UK): Solution is to use interim intraday market auctions; Proposal to submit a new solution at I-SEM go-live.

DAFD

CACM: “..all TSOs shall develop a common proposal for a single day-ahead firmness deadline, which shall not be shorter than half an hour before the day-ahead market gate closure time.”

- Day ahead firmness deadline means the point in time after which cross-zonal capacity becomes firm.
- Proposal sets this as 60 minutes before day-ahead gate closure time.

Next steps

Complete assessment and seek agreement with regulators. Potential request for amendment for Fallback to ensure clarity of regulation

Next steps

- Seeking any stakeholder views ASAP:
thomas.jones@ofgem.gov.uk
- Ofgem to complete assessments and seek agreement from other relevant Regulatory Authorities on positions
- National decisions due by 14th June

Ofgem is the Office of Gas and Electricity Markets.

Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.

We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.

4. NEMO Proposals

Marcelo Torres

Ofgem

Capacity Allocation and Congestion Management (CACM)

Update on NEMO proposals

Marcelo Torres
24/04/17

ofgem

- NRAs received the following proposals on 14 February 2017:
 - Algorithm, incorporating the Day-Ahead and Intraday Algorithm Requirements
 - Products proposal
 - Back-up methodology proposal
 - Harmonised Minimum and Maximum Price Limits
- We do not plan to consult on the proposals
 - NEMOs already held a public workshop and consulted (<http://www.europex.org/external-consultations/all-nemos-consultation/>)
- NRAs must reach an all-NRA decision by 14 August 2017
- NRAs can either:
 - Approve the proposal(s)
 - Request an amendment from the NEMOs
 - Refer to ACER for a binding decision

- **Performance and change management for algorithm and products**
 - Performance to be measured against a set of metrics
 - Changes are assessed and approved by NEMO Committee (rather than NRAs)
 - Approach strikes a good balance between flexibility and regulatory oversight
- **Usage limits**
 - Have sympathy with difficulty in demonstrating the impact of products on algorithm performance
 - However transparency around the application of usage limits is important
- **Price limits**
 - Unclear why an automatic mechanism to update the price limits exists for the DA max limit only
- **Back-up**
 - Some areas need clarity (eg, where >1 NEMO exists and scenario where only 1 fails to submit their order book, line between backup and fallback procedures)

➤ Quality of drafting needs to be improved

- All-NRA decision required for each proposal
 - NRA discussions are ongoing with decision due 14 August 2017
- We would be interested in stakeholder views, especially on:
 - Change management for algorithm and products
 - Usage limits
 - Price limits
- Please send us your thoughts by **8 May 2017**
 - david.mccrone@ofgem.gov.uk
 - marcelo.torres@ofgem.gov.uk

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5. Actions log

Chrissie Brown

JESG Technical Secretary

JESG Standing items

ID		Topic
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/ DECC
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
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

ID		Lead Party	Update
60	Add CACM methodologies to NGET website	In progress	In progress
61	GB Implementation plan to be Standing agenda item at all JESG meetings	Chrissie Brown	Added to April agenda
62	GB Implementation plan to be circulated to all stakeholders in the JESG weekly update	CB and NGET rep	Link to FWP circulated – ongoing
63	NGET to speak with ENA around GB Implementation plan and validation of modification packages	NGET and ENA	Ongoing
64	Plan on a page to be developed with Code Administrators to be submitted to Code Panels	NGET and Code Administrators	Update to be given as part of agenda item implementation plan
65	JY and GG to talk through the Implementation Plan and areas where GG may feel all information may not have been captured	JY and GG	Ongoing. Initial contact made.

6. Future Meeting Dates & Agenda Items

Chrissie Brown

JESG Technical Secretary

2017 JESG Meetings (London)

Date

25th May

22nd June

20th July

23rd August (venue TBC)

21st September

23rd November

12th December

JESG Website: The full dates and details can be found on the [2016 Meeting dates on the JESG Website](#). Full 2017 dates to be published next week on website.

As always registration is required and will be opened through the JESG Weekly updates.

Future Agenda Items Suggestions

Stakeholders are invited to put forward agenda items for the forthcoming JESG meetings:

- 2017 meeting dates

7. Stakeholder Representation

All

8. Any Other Business

All

Lunch: 12:00

(Opportunity to network & further discussions)

