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Headline Report

Meeting name	Joint European Standing Group (JESG)
Meeting number	1
Date of meeting	10 August 2011
Location	Elexon, London

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

1. **European Network Code Development Process.** An overview of the Network Code Development process was provided to the Standing Group by National Grid. It was highlighted that there are 4 Framework Guidelines for electricity which are in the European Commission Workplan. These are as follows:
   - Grid Connection
   - Capacity Allocation and Congestion Management
   - System Operation
   - Electricity Balancing Markets Integration

   Each Framework Guideline may have more than one Network Code and each Network Code will have different priorities.

2. **Grid Connection Framework Guideline.** The Framework Guidelines have already been approved by ACER for Grid Connections[1] and this will result in the following Network Codes:
   - Requirements for Generators
   - Demand Connection Code
   - HVDC Connection Code
   - Connection Procedures Code

   Requirements for Generators
   - ENTSO-E are currently drafting the Network Code for Requirements for Generators
   - National Grid is lobbying the European Commission for an extension to the timetable
   - GB stakeholders may support this extension by using trade Associations to put forward their views.
   - As Requirements for Generators will contain retrospective elements, the Transmission System Operators will have to carry out Cost Benefit Analysis for derogation requests, which takes into account that existing plant may not be able to comply with the retrospective obligations.
   - A new term has also been introduced by the Framework Guideline; Significant Grid User. This may be based on a graded approach such as size and connection voltage of a generator; however this has not been fully developed by ENTSO-E.

   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.
   - There may be an interaction with Smart Grids but it remains to be seen how this will work.

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[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_FINAL.pdf

Engagement
- A new communication tool is being developed by ENTSO-E which allows stakeholders to respond to consultations online.
- It will be difficult to submit confidential responses as they will be visible to all parties.
- Tool may be available in August in 2011.

3.   Capacity Allocation and Congestion Management (CACM) Framework Guideline.
- The Framework Guidelines[2] were adopted by the Agency for the Cooperation of Energy Regulators (ACER) on 29 July 2011.
- Will result in two Network Codes: CACM and Forward Markets
- Aim to deal with the integration, coordination and harmonisation of the congestion management regimes to facilitate electricity trade within the EU.
- Key GB issue at present is the Framework Guideline outlines rules to be used for defining and reviewing market areas
- Target date for the implementation of the CACM codes is 2014.

4.   Transparency Guidelines.
- ENTSO-E is currently awaiting the European Commission to issue a consultation on what should be included within the Framework Guideline.

5.   System Operation Framework Guidelines.
- The Framework Guideline[3] is currently out for consultation with a closing date of 15 September 2011.

6.   Electricity Balancing Markets Integration Framework Guidelines.
- Ofgem will be running a Workshop to seek views on the Framework Guideline and an expert group will be held at Ofgem on the 29 August 2011 with around 13-14 members.

7.   Next meeting. The next meeting will be held on 21 September 2011 at

8.   Useful Links
- The links below were referred to in the discussions:

ENTSO-E's "Technical background and recommendations for defence plans"
https://www.entsoe.eu/resources/publications/system-operations/

Joint Working Group on Standards for Smart Grids:
ftp://ftp.cencenelec.eu/CENELEC/Smartgrid/SmartGridFinalReport.pdf

European Commission Smart Grids Task Force
http://ec.europa.eu/energy/gas_electricity/smartgrids/taskforce_en.htm

Transparency Guidelines Consultation
http://ec.europa.eu/energy/gas_electricity/consultations/20110916_electricity_en.htm

Link to the JESG Presentations:
http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/JointEuroSG/

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[2] CACM Framework Guidelines
http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Public_Docs/Acts%20of%20the%20Agency/Framework%20Guideline/Framework_Guidelines_on_Capacity_Allocation_and_Congestion_M/FG-2011-E-002%20(Final).pdf

[3] System Operation Framework Guidelines
http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Stakeholder_involvement/Public_consultatations/Open_Public_Consultations/PC-05%20-%20FG%20on%20System%20Operation

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Issues Log

Issue	Lead Party
What is the process for changing the individual Network Codes? E.g. after comitology	Alicja B
Investigate the creation of technical subgroups or "stakeholder groups" to discuss the Network Codes in more detail	NGET
How does the Framework Guideline align with the individual Network Codes	All
Is the graded approach to "Significant Grid Users" appropriate?	All
Potential for a Cost Benefit Analysis Methodology to sit outside of the Network Code	All