Compliance Summary

European Transparency Regulation
November 2014

What stage is this document at?

01	Initial Report
02	Revised Report
03	Agreed Report

Published on: **28 November 2014**

Contents

Any Questions?

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About this document

This document provides a summary of how National Grid is complying with the new European Transparency Regulation, and how information for each article is being provided.

Document Control

Version	Date	Author	Change Reference
1.0	28 November 2014	National Grid	

1 Introduction to the Transparency Regulation

The European Transparency Regulation (ETR) came into force on 4th July 2013 and has an implementation date of 4th January 2015. The Regulation sets out a requirement for the publication of a common set of data relating to the generation, transportation and consumption of electricity. It places an obligation on primary owners of this data to submit information to National Grid as SO and GB Data Provider for onward transmission to a Central European Platform (EMFIP).

A range of changes to the GB arrangements have been introduced to make sure we can report effectively from the 4th of January 2015. Through Code Modifications we have clarified which IT systems will be used to submit data (P291 and P295) and who will be submitting which data (GC0042, GC0083 and CM056). More details on the changes to the GB arrangements can be found in chapter 3.

Preamble and rationale from Regulation text

(**COMMISSION REGULATION (EU) No 543/2013** of 14 June 2013 on submission and publication of data in electricity markets)

Previous regulation (EC) No 714/2009 requires Transmission System Operators (TSOs) to publish data on the availability of networks, capacities of cross-border interconnectors and generation, load and network outages.

The availability of such data is indispensable for market participants' ability to take efficient production, consumption and trading decisions. Deeper market integration and the rapid development of intermittent renewable energy generation sources such as wind and solar require the disclosure of complete, timely available, high quality and easily digestible information relating to supply and demand fundamentals.

The timely availability of complete sets of data on fundamentals should also increase the security of energy supplies. It should allow market parties to precisely match supply and demand reducing the risk for black- outs. As a result TSOs should be able to better control their networks and operate them under more predictable and secure conditions.

Current transparency measures do not fully satisfy these criteria. In addition, relevant market information is unevenly distributed among market participants with large incumbent players having exclusive access to information in relation to their own assets putting new market participants or participants without own assets at a disadvantage.

Market participants should be provided with timely information on the expected consumption. This information should be regularly updated and be provided for different timeframes. The actual outturn of the expected consumption should also be made available shortly after real time.

The planned and unplanned unavailability of power generation and consumption units is one of the most important supply-demand relevant information for market participants. Market participants and TSOs need to be provided with detailed information on where, when and why units are not or will not be available to generate or consume and when they are expected to return in operation. This should also help TSOs to better reallocate reserves reducing the probability for black-outs.

Market participants and TSOs should also receive detailed information about the overall installed generation capacity, estimations about total scheduled generation, including separately for intermittent generation, and unit level data about actual generation of larger production facilities.

In order to be able to move power from where it is available to where it is most needed and adjust portfolios accordingly, the market should be provided with information about planned and unplanned unavailability of existing cross-border transmission infrastructure and plans about infrastructure developments. TSOs should also provide and regularly update data on planned and offered cross-border transfer capacities for different time horizons as well as information related to the allocation and use of capacities.

Through the rapid deployment of intermittent generation sources away from consumption centres, transmission infrastructure has increasingly got congested in large parts of Europe. To relieve congestions TSOs have increasingly intervened in market operations instructing market participants to change their generation or trading commitments. In order to enable the market to understand where and why congestion management measures have become necessary, TSOs need to provide timely, detailed and reasoned information about their actions.

Even after careful planning producers, suppliers and traders may find themselves out of balance and be exposed to TSOs balancing and settlement regime. In order to optimally mitigate imbalance risk market participants need accurate, clear and timely information about balancing markets. TSOs should provide such information in a comparable format across borders including details about the reserves they have contracted, prices paid and volumes activated for balancing purposes.

TSOs are often the primary source of relevant fundamental information. They are also used to collect and assess large amounts of information for system operation purposes. In order to provide an overall view of relevant information across the Union, TSOs should facilitate the collection, verification and processing of data and the European Network of Transmission System Operators for Electricity (the ENTSO for Electricity) should make the data available to the public through a central information transparency platform. In order to make best use of existing sources of transparency, the ENTSO for Electricity should be able to receive information for publication through third parties such as power exchanges and transparency platforms.

2 Major changes to GB arrangements

Changes have made to GB arrangements to clarify how the data will be delivered to EMFIP and in this context a new system (MODIS) was created by National Grid. Codes have also been modified to clarify who will be submitting what data where.

A. Clarifying how data will be delivered to EMFIP

The diagram on page 8 shows the key data flows to ensure the required data gets reported to EMFIP.

National Grid has raised BSC Modification P295 to propose that Elexon is the conduit to whom National Grid submits ETR data and which Elexon then submit to EMFIP (and publish on the BMRS). This applies to all ETR data except information for Articles 11 and 12 which will be sent directly to the new EMFIP platform by Interconnector parties. P295 was approved by Ofgem in January 2014. The P295 implementation date is 16 December 2014, in advance of the formal ETR implementation date of 4 January 2015.

National Grid will also deliver a new system (MODIS) to receive new data submissions from the Industry and to generate new reports. It will also enhance its existing systems to report new demand forecast and outturn information and provide balancing market data.

Primary owners of data will receive and use EIC (Energy Identification Codes), which will enable the IT systems to identify them. National Grid will take on the role of GB Licence Issuing Office for the EICs as an interim arrangement. In the longer term, there may be benefits if ELEXON take on the enduring role as GB LIO for the administration of EIC codes for the industry. This role has strong synergies with ELEXON's current role in BMU Registration.

The European Transparency Regulation also has an interaction with BSC Modification P291 which introduced a REMIT inside information publication page on the BMRS. Parties have the option to submit REMIT outage notifications via National Grid for onward submission to the BMRS. The ETR requires the mandatory publication of all outage data and so REMIT outage notifications will represent a subset of the outage information reported under Transparency.

Clarifying who will be responsible for submitting data where

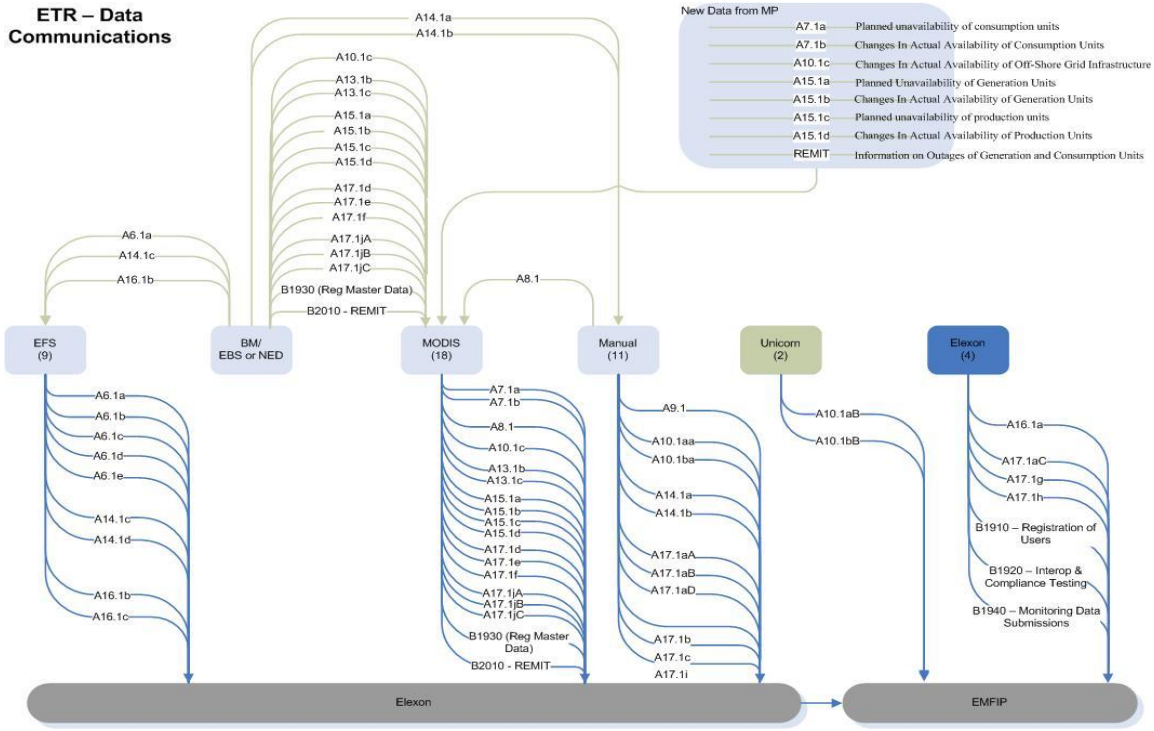
National Grid has carried out an analysis of the data required under the ETR; much of the data required is already submitted to National Grid under the existing industry framework and processes and National Grid is undertaking significant changes to its internal IS systems and business processes in order to deliver this data to EMFIP. However, to fully meet the ETR requirements there are four areas which will require additional data submissions from industry participants.

The four areas requiring additional data from market participants are Articles 7, 10.1c, 14.1a and 15. These relate to availability changes of consumption units, generation units, OFTO infrastructure availability and generation capacity of all units greater than 1MW.

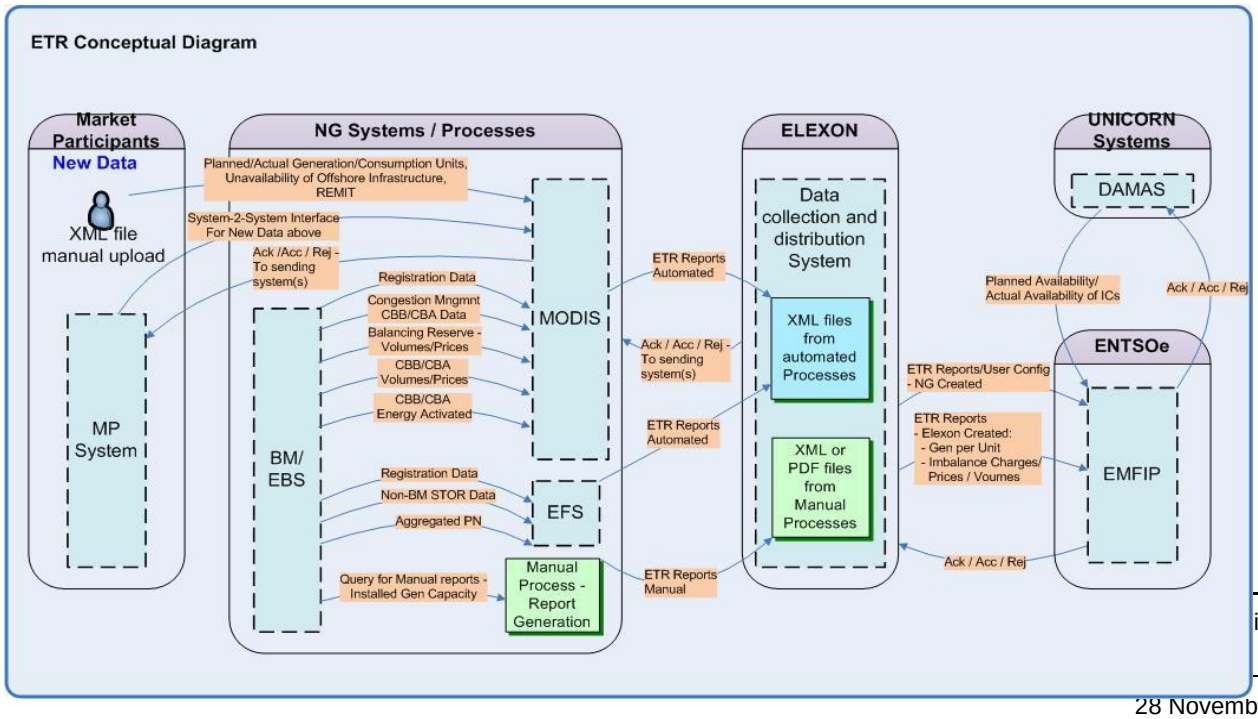
In order to clarify who needs to submit which data, code modifications were introduced - GC0042, GC0083 and CM056.

3 Key data flows

The following diagram shows the communication between National Grid systems for reporting data against each main Article subsection.



This diagram captures the flow of data and the interfaces required for the ETR solution. Data flows from each of the main actors (i.e. the Market Participants), NG Systems / Processes, external systems such as Elexon and Unicorn and any manual processes are described in more detail in our Conceptual Technical Model documentation which can be provided if required.



4 Principles of implementation

Regulation articles 6-17 which specify the reporting obligations can be divided into four categories based on the reporting method as follows:

A Data to be provided from internal National Grid reports implemented as a direct effect of the new Transparency Regulation

B New reports from external parties implemented by Grid Code changes GC0042 and GC0083.

C Reports produced by ELEXON based on existing information already reported under the Balancing and Settlement Code (BSC).

D Reports produced by Interconnector parties and National Grid Interconnections business.

The table below summarises the implementation method for each article:

Implementation categories for each Article and subsection

			Implementation category			
			A	B	C	D
Article Number	Description	Sub-sections	New reports produced by National Grid as a direct effect of the Regulation	New data from Market Participants implemented by Grid Code or SO-TO Code changes	Reports produced by ELEXON based on existing information already reported under the BSC	Reports produced by Interconnector parties and National Grid Interconnections business
6	Demand outturn and forecasts	6.1a; 6.1b; 6.1c; 6.1d; 6.1e	▪			
7	Unavailability of Consumption units	7.1a; 7.1b		▪		
8	Year ahead forecast margin	8.1	▪			
9	Transmission Infrastructure Projects that affect interconnector capacity	9	▪			
10	Infrastructure availability changes that affect interconnector capacity	10.1a	▪			▪
		10.1b	▪			▪
		10.1c	▪	▪		
11	Forecast interconnector capacities	11.1a; 11.1b				▪
12	Information related to interconnector capacity	12.1a; 12.1b; 12.1c; 12.1d; 12.1e; 12.1f; 12.1g; 12.1h				▪
13	Dispatch and Trading actions that affect interconnector capacity	13.1a; 13.1b; 13.1c	▪			
14	Generation Capacity	14.1a	▪	▪		

	and Forecast generation	14.1b	▪	▪		
		14.1c	▪			
		14.1d	▪			
15	Unavailability of generation and production units	15.1a; 15.1b; 15.1c; 15.1d		▪		
		16.1a			▪	
		16.1b	▪			
		16.1c	▪			
16	Actual Generation	16.1d	n/a	n/a	n/a	n/a
		17.1a	▪		▪	
		17.1b	▪			
		17.1c	▪			
		17.1d	▪			
		17.1e	▪			
		17.1f	▪			
		17.1g	▪		▪	
		17.1h	▪		▪	
		17.1i	▪			
17	Balancing	17.1j	▪			

Implementation categories::

A Data to be provided from internal National Grid reports implemented as a direct effect of the new Transparency Regulation

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C Reports produced by ELEXON based on existing information already reported under the Balancing and Settlement Code (BSC).

D Reports produced by Interconnector parties and National Grid Interconnections business.

5 Article by article summary of implementation

The sections below give a summary of the basis of implementation for each Article. For more details about the obligations and actions to ensure compliance for each subsection, please refer to the detailed tables in the Annex spreadsheet attached at the end of this document

Article 6 – Demand Forecasts and Out-turns

Reporting for Article 6 will be based on new information calculated and published by National Grid as a direct effect of the new Regulation Requirements. New demand forecasts and out-turns will be calculated based on the "total load" definition. No additional external data will be required from Market Participants.

Article 7 – Unavailability of Consumption units

Information for this article will be provided by a new data feed from Market Participants. This will be implemented via Grid Code change GC0083.

Article 8 – Year ahead forecast margin

The data required to be reported for this article will be calculated and published by National Grid as a direct effect of the new Regulation Requirements. No additional external data will be required from Market Participants.

Article 9 - Transmission Infrastructure Projects that affect interconnector capacity

National Grid would not normally expect Transmission Infrastructure Projects to have any effect on the capacity of GB interconnectors. If there are any projects that fall into this category in the future, these will be listed in our Electricity Ten Year Statement and the details will be manually reported by National Grid from the new MODIS system as a direct effect of the new Regulation Requirements. No new information will be required from Market Participants for this article.

Article 10 - Infrastructure availability changes that affect interconnector capacity

National Grid would not normally expect Transmission Infrastructure availability changes to have any effect on the capacity of GB interconnectors. If there are any availability changes that fall into this category in the future, these will be manually reported by National Grid from the new MODIS system as a direct effect of the new Regulation Requirements. No new information will be required from Market Participants for this article, except for A10.1c where OFTO's will provide additional information to National Grid about OFTO transmission infrastructure availability changes which reduce offshore wind power feed-in by 100MW or more. This additional information will be reported by National Grid from the new MODIS

system. The obligation on OFTO's to provide this new information will implemented via STC code modification CM056.

In the event that an outage which would be reportable under Article 10.1c takes place prior to OFTO transfer, this should be reported under Article 15.1b as an actual generator unavailability with the reason for the outage being given as "External factors" or "other". This would allow the fact that there was an outage of the relevant offshore grid infrastructure to be highlighted. For the avoidance of doubt, this situation is not captured in the STC (i.e. CM056) as it does not concern an interface between a TO and the NETSO. However, reporting under Article 15 is captured under the Grid Code (GC0083).

Article 11 - Forecast interconnector capacities

Reporting for this article will be the responsibility of GB Interconnector TSOs.

Article 12 - Information relating to interconnector capacity

Reporting for this article will be the responsibility of GB Interconnector TSOs.

Article 13 – Dispatch and Trading actions that affect interconnector capacity

Normally dispatch and trading actions taken by National Grid will not affect the capacity of GB interconnectors. However, National Grid are putting business processes in place to ensure that if any actions are taken in this category, they will be reported according to the required timescales as a direct effect of the new Regulation.

Article 14 – Generation Capacity and Forecast generation

The data required to be reported for this article will be calculated and published by National Grid as a direct effect of the new Regulation Requirements. Additional external data will be required from Market Participants relating to the capacity of small embedded power stations of capacity greater than 1MW and technology types to align existing National Grid fuel types to ETR production types. The obligation on Market Participants to provide this additional information will be implemented via Grid Code changes GC0042 and GC0083.

Article 15 – Unavailability of generation and production units

Information for this article will be provided by a new data feed from Market Participants. This will be implemented via Grid Code change GC0083.

Article 16 – Actual Generation

The data required for this article will be published by ELEXON and National Grid.

Item 16.1a will be published by ELEXON according to provisions in the Balancing and Settlement Code as a result of modification P295. ELEXON already has the metering information it needs to comply with this reporting obligation under the existing provisions of the Balancing and Settlement Code (BSC).

Items 16.1b and 16.1c will be calculated and published by National Grid as a direct effect of the new Regulation Requirements. No additional external data will be required from Market Participants.

Item 16.1d will not need to be reported for GB because the feed-in of hydro and water reservoir generation does not exceed the regulation threshold requirement.

Article 17 – Balancing

The data required for this article will be published by ELEXON and National Grid. Article 17 information is already available from within National Grid's Balancing Mechanism systems because it is information required for operation of the Balancing Mechanism and for balancing the Transmission System in real-time according to its licence obligations. Subsections 17.1a - 17.1f and 17.1i, 17.1j are therefore in implementation category A - new information that National Grid will report as a direct effect of the Regulation requirements. No additional external data will be required from Market Participants.

Part of Item 17.a (Imbalance Charge Methodology) and Items 17.1 (g) and (h) (imbalance prices and volumes) will be published directly by ELEXON to EMFIP. Items 17.1(g) and (h) - imbalance prices and volumes are in implementation category C - they are already calculated and published by ELEXON on bmreports as required by the BSC based on information supplied by National Grid as above based on information from its Balancing Mechanism systems.

Annex – tables providing additional information

Tables providing more information of the definitions and reporting provisions.

A separate spreadsheet attached below provides additional detailed information regarding the specific definition of terminology in Article 2:

The spreadsheet contains three sheets as follows:

Sheet 1:
Article 2 – Definitions – summary of mapping of Transparency Regulation definitions to existing GB terminology.

Sheet 2:
Articles 6-17 – summary of data items to be reported and if they are not already reported within GB, the mechanism that will ensure that they are reported under the new Regulation.

Sheet 3::
Implementation categories for each Article and subsection