

## Headline Report

<b>Meeting number:</b>	Meeting 4
<b>Date of meeting:</b>	Thursday 18 June 2015
<b>Location:</b>	Elaxon, London

This note sets out the headlines from the latest meeting of the Joint European Stakeholder Group (JESG) and is provided in addition to the presentation from the meeting which is available on the JESG website<sup>1</sup>. The material in the presentation is not duplicated in this report.

If you have any queries in relation to the content of this report, please email the JESG Technical Secretary Sara-Lee Kenney [europeancodes.electricity@nationalgrid.com](mailto:europeancodes.electricity@nationalgrid.com)

### 1 JESG Actions Review

- The Technical Secretary noted the JESG Standing Actions and updates on current actions. The current version of the JESG action log, including any additions from this meeting is [attached to this Headline Report](#).

### 2 Grid Connection

#### Requirements for Generators (RfG)

- The RfG network code is currently in the Comitology phase of the development process with discussions at the Cross-Border Committee.
- On Thursday 11 June, the European Commission released an updated draft and impact assessment to Member States and following this on Tuesday 16 June April, DECC and Ofgem led a final stakeholder session to gather views ahead of the next Cross-Border Committee meeting.
- The Commission has indicated that the RfG network code is expected to be voted on by Member States at the end of June 2015.
- JESG stakeholders have raised concerns with the latest draft in relation to the recitals which incorrectly reference the regulation and also the amendments made to Chapter 1. Stakeholders sought comfort that these issues had been captured by DECC and Ofgem ahead of the next Cross Border Committee Meeting. DECC took action to circulate the key issues raised by stakeholders at the 16 June RfG stakeholder workshop.

#### Demand Connection Code (DCC) and High Voltage Direct Current (HVDC)

- Both DCC and HVDC network codes are currently in the Comitology phase of the development process. The Commission has since indicated that further consideration is required for the DCC network code and in which case HVDC is expected to be voted on in July 2015 followed by expected voting on DCC in September 2015.
- No further information has been provided to date.

### 3 Markets

#### Capacity Allocation and Congestion Management (CACM)

- The CACM guideline is currently with the European Parliament and Council for approval. It is expected to be published, and enter in to law around July/August 2015.
- No further information has been provided to date however please visit sections 6 - 9 below for related updates.

#### Forward Capacity Allocation (FCA)

- The European Commission had indicated that the FCA guideline will start Comitology in September/October 2015, no further details have been provided by the European Commission on the progress of FCA.

#### Electricity Balancing (EB)

- The EB network code is currently with ACER pending their recommendation; ACER has indicated further work is required ahead of providing this. This is the second review undertaken by ACER for which there are no defined timescales detailed with the ENC development process. It is expected ACER will recommend the adoption of the EB Network Code in the near future subject to a number of changes as outlined in the [May JESG Headline Report](#).

<sup>1</sup> <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/European-network-code/Joint-European-Stakeholder-Group/>

- Following the Energy Union communication and associated market design work, the Commission has indicated that both the EB network code and Emergency & Restoration network code will be deferred until Q2 2016.

#### 4 System Operation

##### **Operation Security (OS), Operational Planning and Scheduling (OP&S) and Load Frequency Control Reserves (LFCR)**

- The European Commission has indicated the System Operation Network Codes may be merged to form one guideline. However, nothing has yet been formally confirmed. The Commission has also indicated that further discussion on the System Operation Network Codes and progression through Comitology is likely to take place in the December 2015.

##### **Emergency and Restoration (ER)**

- The ER network code is currently with ACER who has 3 months to review and assess the network code against the framework guidelines and publish their opinion which is expected end of June/ beginning of July 2015.
- Following the Energy Union Communication and associated market design work, the Commission has indicated that both the EB network code and ER network code will be deferred until Q2 2016.

#### 5 June Florence Forum Update

- Natasha Smith (Ofgem) provided an update on behalf of Mark Copley (Ofgem) who was in attendance at the 4 - 5 June Florence Forum ('European Electricity Regulatory Forum, Florence').
- The Florence Forum was established by the European Commission to discuss the creation of the internal electricity market and meets every 6 months. These discussions include issues related to European Policy and Legislation and therefore the European Network Codes (ENCs) inclusive. The details of this meeting including the agenda, presentations and conclusions can be found on the [Florence Forum Website](#).
- Natasha advised the June meeting which was split over 2 days looked at existing ENCs and Guidelines on day 1 and on day 2 the topics we can expect the Electricity Market Design Communication in the summer.
- Those in attendance welcomed the progress made since the last Florence Forum and the establishing of stakeholder committees but highlighted that an efficient GB representation remains an issue and should be tackled once the Terms of Reference (ToR) of the respective committees are established. It was also highlighted, in particular for the 'Market Codes' a number of difficult issues that require addressing for example the methodologies which are required once an ENC enters into force.
- The Electricity Market Design Communication was discussed at high level and the mention of how to bring more renewables into the market, defining generation adequacy in regions rather than nationally, discussion on greater compatibility with Capacity Remuneration Mechanisms (CRMs) and regional security coordination initiatives and TSO coordination. There is an intention for the Electricity Market Design Communication to be discussed further at a future JESG meeting.

#### 6 Transmission System Operator (TSO) voting under the CACM Guideline

- Jon Robinson (DECC) presented on the expected voting process for TSOs under the CACM guideline.
- Within the CACM guideline, Member States are required to allocate a single vote amongst TSOs. In which case a single UK vote would be required to be allocated among the TSOs responsible for each decision. The process of which Ofgem has just completed a [consultation](#) for GB and is currently forming a decision. Equivalent consultations have been raised for Northern Ireland & Ireland which are soon due to end.
- DECC and the Northern Ireland government DETINI (Department of Enterprise, Trade and Investment) are considering options and will bring forward proposals for consultation.
- Jon highlighted the proposals are likely to set out a methodology to determine the allocation of this vote and welcomed JESG stakeholders views and comments.
- Stakeholders highlighted the ENTSO-E voting and complexities querying how this would work for the UK where there are multiple TSOs and which could potentially conflict with the existing ENTSO-E voting. Bec Thornton (NGET) added that the GB Regional Group is currently looking into this, pending DECCs proposals.
- Stakeholders also highlighted the need for transparency within the voting process noting this would need to be adopted across the board to avoid disadvantages to some and advantage to others.

- Stakeholders also noted that the complexities around the GB/UK vote would likely only be present where there isn't a single agreed position.
- The [slides for this presentation](#) are available on the JESG website and Jon invited further comments via email [jonathan.robinson@decc.gsi.gov.uk](mailto:jonathan.robinson@decc.gsi.gov.uk).

## 7 Implementing CACM – JESG Mapping Workshop Update

- Natasha Smith (Ofgem) presented on the progress since the JESG mapping workshop held in February on implementation of the CACM guideline and wider call for stakeholder comments. This detailed the expected approach to the changes required to be made to the GB framework, the associated responsibilities and the details of the initial tasks required.
- Natasha highlighted 3 stages associated with implementing CACM 1) Allocate Responsibilities 2) Develop and Approve Methodologies and 3) Consequential Changes along with the expected timescales and tasks associated.
- Once CACM enters into force, all parties will need to comply with their obligations. JESG provides a forum for parties developing proposals to keep the industry informed of progress and timings.
- The updated CACM Project Plan has been circulated to stakeholders through the JESG Weekly Updates and the [slides for this presentation](#) are available on the JESG website.

## 8 CACM Stakeholder Engagement – 6 month forward view

- Bec Thornton (NGET) presented on a new 'forward view' slide which has been produced for the CACM Guideline to provide visibility of stakeholder engagement opportunities.
- Bec invited stakeholder comments on the effectiveness of this slide with a view to expand this to include all ENCs. Stakeholders welcome the new slide and would find this helpful for a view of all ENCs.
- The [slide for this presentation](#) is available on the JESG website.

## 9 All TSOs and OFTOs Consultation under CACM

- Natasha Smith (Ofgem) provided an update on Ofgem's consultation on its Minded to Decision for assignment of TSOs obligations under the CACM guideline. This links to the references made by Jon Robinson in item 6 above.
- The consultation has now closed pending a decision. The consultation and the responses received are available on [Ofgem's website](#).

## 10 Tariff Harmonisation

- David Freed (Ofgem) updated on the Cambridge Economic Policy Associates (CEPA) draft report in relation to the potential ENC on Electricity Transmission Tariff Harmonisation and the public workshop led by ACER in Ljubljana on Tuesday 16 June.
- GB, Norway and Sweden were represented at the workshop which discussed the benefits and also associated costs to potential changes, pursuing longer term options and also potential issues associated with Tariff Harmonisation. Overall those in attendance felt the draft report was heading in the right direction.
- The next steps are for ACER to publish a report detailing stakeholders' views ahead of providing a recommendation to the European Commission. It is expected this will be within the next year based on the Commission's priority list.
- Further information on the draft report and workshops held by ACER can be found on the [CEPA website](#).

## 11 Exchange of views of practical aspects – EU codes/Guidelines

- Marta Krajewska (Energy UK) opened discussion on consideration for the practical aspects of ENC implementation following on from the discussions to date on the format and detail behind aligning the GB framework to the ENCs.
- This includes 1) keeping track of where we are in terms of implementation 2) interlinking of codes, what codes affects who and when and 3) to action in a user friendly way to particularly aid new entrants in the market.
- Stakeholders discussed current work which is ongoing on guidance material such as that for RfG presented at the April JESG by Sarah Carter (Ricardo – AEA) and Mike Kay (Electricity North West) along with existing documentation such as the [G59/G83 documents](#) which are available on both the ENA and DNO websites. As a follow-up on that presentation, Marta and Garth Graham (SSE) had a discussion with Sarah, Mike and David Spillett (ENA) where, amongst other things, a possibility of putting in place a user friendly platform, was explored. Such a platform could serve as a repository for all the changes made to the current GB arrangements as a result of the network code implementation. In

addition and ideally following a simple questionnaire, each stakeholder will be in a position to establish which parts of the revised GB arrangements they should comply with given their European Network Code status (e.g. 'Type A' generator under RfG).

- Marta invited stakeholders' thoughts at the meeting and also by email to [Marta.Krajewska@energy-uk.org.uk](mailto:Marta.Krajewska@energy-uk.org.uk). It was also agreed to discuss further at future JESG meetings.

## 12 Future Agenda Items

- Sara-Lee Kenney (JESG Technical Secretary) presented a new [slide](#) with regards to a forward look at future JESG meetings and agenda content, this will become a standing agenda item. In addition to the agenda items presented, stakeholders suggested for July a discussion on the Energy Market Redesign and flow based update/progress which Olaf Islei (APX) offered to present.

## 13 Any Other Business

- Sara-Lee Kenney (JESG Technical Secretary) presented on the new online JESG registration tool which will replace the current method effective from July 2015 onwards.
- Steve Wilkin (Elexon) highlighted for information the [ACER Regulation on Energy Market Integrity and Transparency \(REMIT\) consultation on the 'Common Schema for the Disclosure of inside Information'](#) which is due to close Friday 26 June 12 noon (Continental Europe Time).

## 14 Next Meeting

**The next scheduled meeting for the JESG is 29 July 2015 at Elexon Offices in London. Registration details will be provided in the JESG Weekly Updates and stakeholders will be invited to suggest agenda items.**

# Action Log

## Standing Actions

ID	Topic	Lead Party	Status	Source
S1	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair	Standing Item	JESG S3
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	Standing Item	JESG S1
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	Standing Item	ECCAF 3/2
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	Standing Item	JESG S6

## Open Actions

ID	Topic	Lead Party	Status	Update
12	Circulate the comments received by stakeholders on the latest draft of RfG.	DECC	NEW	

## Recently Closed Actions

ID	Topic	Lead Party	Status	Update
4	DECC to update JESG on how GB TSO voting will work under CACM and what information will be published with regards to voting.	DECC	Closed	Covered by Jon Robinson (DECC) at June JESG
11	Open letter to stakeholders on the HVDC and DCC implementation approach, also through JESG Weekly Update.	Ofgem, JESG Chair and JESG Tech Sec	Closed	Responses received supported approach & an interest in being involved. Gemserv views also sort (Smart Energy Code).

## Meeting Attendees

Name	Company
Barbara Vest	Chair
Sara-Lee Kenney	Technical Secretary
Marta Krajewska	Energy UK
Alice Barrs	RWE
Bec Thornton	National Grid Electricity Transmission (NGET)
David Freed	Ofgem
Helen Stack	Centrica
James Anderson	Scottish Power (SP)
Cem Suleyman	Drax
John Costa	EDF
Jon Robinson	DECC
Julian Rudd	DECC
Lorcán Murray	National Grid Interconnectors Limited (NGIL)
Kamila Nugumanova	Electricity Supply Board – Ireland (ESB)
Natasha Smith	Ofgem
Olaf Islei	APX
Elena Mylona	DECC
Michela Beltracchi	Nord Pool Spot (NPS)
Jonathan Whiting	Ofgem
Paul Brennan	Waters Wye Associates
Steve Wilkin	Elaxon
Lesley Rudd	Ecuity
Neil Smith	Engie
Sarah Carter	Ricardo - AEA