

Headline Report

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| Meeting name | Joint European Standing Group (JESG) |
| Meeting number | 16 |
| Date of meeting | 19 March 2013 |
| Location | Elexon, London |

This note sets out the headlines of the most recent meeting of the Joint European Standing Group (JESG). The note is provided in addition to the presentations from the meeting which are available on the JESG website¹.

1. Issues Log Review

The issues logs were updated, as required, as each Network Code was discussed. The current version of the issue log for each of the Network Code being drafted by ENTSO-E is attached to this Headline Report.

2. Grid Connection Network Codes

Requirements for Generators (RfG)

- The RfG Network Code was the first code developed by ENTSO-E. The initial drafting finished in July 2012, and the ACER opinion was published in October 2013. The ACER opinion requested updates to be made or further evidence to be provided in four areas (see below).
- Since October 2013, ENTSO-E has been preparing revisions to the Network Code in these four areas. On the 7 March 2013 they held an information session on the changes, and on 8 March 2013 resubmitted the Code to ACER.
- ACER will now compile a revised opinion on the Network Code, and in parallel the Commission has started preparations for Comitology.
- The four areas where the Code has been refined are summarised as follows:
 - **Significance test for small scale units:** A new transitional exemption process has been introduced for novel units of Type A, to allow a certain quantity in aggregation of novel technology small-scale generators. The cumulative level is to be decided on a national basis and for GB is likely to be 50MW.
 - Insufficient justification for:
 - **Deviation from existing practice with regards to Fault Ride Through requirements.** ENTSO-E has noted this was a technical misunderstanding by ACER and the code has not changed.
 - **Exemption of CHP units:** The exemption has been extended to cover heat as well as steam;
 - **Article 4(3)** covering determination of Terms and Conditions in accordance with national law will be dealt with by the Commission as part of Comitology and is common to all Network Codes.
 - **Recovery of costs** incurred by TSOs and DSOs. The wording in the Network Code has been revised to align with that agreed in CACM.
- The target process for Comitology as outlined by the Commission is as follows:
 - Preparation phase (March – July 2013):
 - Technical translation by consultants (DNV KEMA/COWI) including meeting with ENTSO-E drafting team (24 April) and stakeholders as required;
 - Draft Impact Assessment produce by the Commission by June (possibly also covering DCC and CACM);
 - Final Impact Assessment by ACER - July/August.
 - Political phase (August – December 2013):
 - Member states, parliament and council approval.
 - December 2013: Target date for enactment of Network Code.

¹ <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/JointEuroSG/>

- Work is continuing on approach to application and implementation within member states including GB.
 - ENTSO-E initiating preparatory study on national application.
 - GB parties (NGET, Ofgem, some DSOs) have been working on options for application of RFG to the GB framework. It is intended to provide an update to the April JESG on this issue.

Demand Connection Code (DCC)

- The ACER opinion on the DCC is due to be published by 4 April. The DCC was not discussed further at this month's JESG.

HVDC Network Code

- The HVDC Network Code was not discussed at this month's JESG but is awaiting a formal mandate to commence drafting.

3. Market Network Codes (CACM and Balancing Framework Guidelines)

Forward Capacity Allocation Network Code

- The FCA Network Code is expected to be released for public consultation in April / May 2013. The FCA was not discussed further at this month's JESG.

CACM Network Code

- On the 14 March 2013, ACER provided a qualified recommendation of the CACM Network Code to the European Commission². The initial ACER opinion published in December 2013, noted eleven areas of non-compliance with the framework guidelines, ACER and ENTSO-E worked together to develop changes to Network Code. ACER and ENTSO-E agreed in seven areas, but did not reach agreement in four areas.
- In response to ACER's qualified recommendation, ENTSO-E has issued a public response³ drawing attention to the following areas where ENTSO-E does not agree with ACER revisions:
 - Capacity calculation;
 - Deadline for implementation;
 - Intraday;
 - Redispatching and countertrading arrangements.
- The Code has now entered Comitology being the first Electricity Network Code to reach this stage. The initial stage is for the Commission to merge the CACM Network Code with the draft Governance Guidelines. This is expected to be published in mid-May for the Florence forum.
- Stakeholders raised concerns that the already challenging timescales have been tightened by ACER, and there is unlikely to be sufficient time for the methodologies to be devised, and changes required to everyone's IT systems to deliver the requirements of the Network Code.

Electricity Balancing Network Code

- The formal mandate to commence drafting of the Electricity Balancing Network Code was received in January 2013, and ENTSO-E has to produce a Network Code by the end of December 2013.
- The Balancing Network Code will be written based on the Framework Guidelines⁴ issued by ACER on 18 September 2012. The Network Code is not a replacement for the GB Balancing and Settlement code (BSC), but rather specifies a roadmap for implementing the Balancing market as foreseen in the Framework Guidelines. The Network Code will specify roles and responsibilities for future development of the market once the code is in force.
- The Network Code is to be developed around three key areas:
 - **Procurement and product definition:** product and procurement harmonization, procurement of balancing reserves and, procurement of balancing energy

² <http://www.acer.europa.eu/Media/News/Pages/ACER-recommends-adoption-of-CACM-Network-Code-subject-to-specific-amendments.aspx>

³ https://www.entsoe.eu/news-events/announcements/newssingleview/article/entso-es-views-regarding-acers-recommendation-on-the-cacm-network-code/?tx_ttnews%25255BbackPid%25255D=28&cHash=3809e1c9918ec46dae1443181315fec1

⁴ http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Framework_Guidelines/Framework%20Guidelines/Framework%20Guidelines%20on%20Electricity%20Balancing.pdf

- **Capacity reservation and use:** cross border exchange, reserve sharing and co-optimisation methodology to reserve / allocate capacity
- **Imbalance settlement:** imbalance settlement period, imbalance pricing methodology and volume calculation
- The current expectation is that the Balancing Network Code will have an impact on all GB balancing activities, for example ACER suggests that settlement must be pay as cleared, and a cost benefit analysis will be undertaken to determine if our settlement period should be 30 minutes or 15 minutes.
- The Network Code has strong links with other Network Codes. In particular, LFC&R which defines capability for reserves, whilst Balancing outlines the markets for the capacity. In addition Balancing will form the last part of the target market model established in CACM and FCA.
- A number of issues for GB stakeholders were noted and these are captured in the Balancing Issue log.

4. System Operation Network Codes

Operational Security (OS) Network Code

- The OS Network Code was submitted to ACER on the 28 February 2013, starting the three month review process for the Network Code. The OS Network Code was not discussed further at this month's JESG.
- A DECC-Ofgem prioritisation workshop on the OS Network Code is planned for 9 April.

Operational Planning and Scheduling (OP&S) Network Code

- The public consultation on the OP&S Network Code closed on 7 January 2013. The Network Code is being revised by ENTSO-E in advance of submission to ACER by 1 April 2013.
- An update was given on changes to the Network Code, and in particular the treatment of DC Interconnectors, and how nearby plant can be considered relevant for Operational Security across the interconnectors.
- The terminology 'non-TSO owned interconnector' is being removed, and an alternative around 'self-planned interconnector' is being considered. Although there remain challenges to find wording suitable for the various different types of interconnectors across Europe.
- A broader discussion was held on the treatment of various types of TSOs within GB (SO, TO, OFTO, Interconnector), and Mark Copley reported that this is also an issue for other European countries and is being considered by ENTSO-E. This has previously been captured as a generic issue (ID 10). This led to further debate on the issue of the broad brush approach to socio-economic welfare which may disadvantage some states or parties (ID 20), and the confusions caused by various definitions of areas (ID 21)
- A DECC-Ofgem prioritisation workshop on the OPS Network Code is planned for 17 April following the JESG.

Load-Frequency Control and Reserves (LFCR) Network Code

- A JESG technical workshop on the LFCR Network Code followed this JESG meeting on 19 and 20 March.
- The LFCR Network Code was not discussed further at this month's JESG.

5. Transparency Regulations

- As part of the Third Energy Package, the European Commission has developed the Transparency Regulations⁵. The Transparency Regulations specify a minimum common set of data that needs to be available to market participants across all member states to cover network availability, generation capacity, cross-border interconnector capacity, load and unavailability (planned and unplanned).
- The regulation is expected to come into force in May / June 2013 following Comitology, and data will need to be provided by all parties 18 months after the Regulation comes into force (i.e. c. Dec 2014).
- The Manual of Procedures, identified in Article 5 of the Regulation, is to be written by ENTSO-E. In this role, ENTSO-E has formed a 'Transparency Stakeholder Expert Group' to provide input to the process.
- The Manual of Procedures is currently being drafted by ENTSO-E and a public consultation is expected in c. June once the Regulation has been published.

⁵

<http://register.consilium.europa.eu/pdf/en/13/st06/st06003.en13.pdf>

- Further information on the process can be found on the ENTSO-E website⁶.
- In his role on the expert group, John Lucas will continue to:
 - Provide ENTSO-E with information on GB arrangements (e.g. high impact of requiring operational metering for all embedded generators, registration process for generators)
 - Learn about the Regulation and Manual of Procedures (and feed back to JESG, Imbalance Settlement Group and Modification workgroups)
- John welcomes further involvement and engagement from GB stakeholders, and can be contacted on john.lucas@elexon.co.uk, 020 7380 4345.

6. 'An update from ENTSO-E' – Mark Copley

- An update was provided by ENTSO-E on the interaction between Network Codes, with Mark Copley stressing that the individual Network Codes form part of a single deliverable in implementing the single European energy market.
- Mark invited GB stakeholders to provide feedback to ENTSO-E on what they are doing well, and what they can do better (mark.copley@entsoe.eu).
- It was noted that an ENTSO-E paper on the interaction between codes and the 'bigger picture' is due to be published shortly, and a link will be circulated in the weekly update. This will provide a high-level summary of the suite of Network Codes envisaged under the Third Package.
- It was also noted that the Commission has not yet decided how the Network Codes will be published, i.e. as individual codes or in some aggregated format. This issue also has links to future governance.
- Future governance of the Network Codes is an area that ENTSO-E is starting to consider; however, the Regulation places an obligation on ACER. Stakeholders may wish to provide feedback on their view for future governance to the Commission / ACER. GB Stakeholders noted they would prefer a model based on the GB principal of panels and transparent governance. Mark noted that this is a view not shared by all TSOs or regulators.
- The structure of ENTSO-E was discussed, and it was explained that ENTSO-E is structured (from the top down) by an Assembly (consisting of CEOs of the 41 member companies), a 10-member elected Board, 4 committees (covering markets, system development, system operation and research & development), and then 100 working groups including the drafting teams of the individual Network Codes.

7. Forthcoming events/workshops

Please refer to the calendar on the JESG website:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/JointEuroSG/>

Details of forthcoming JESG events and relevant public events for ENTSO-E, ACER and Ofgem are listed in the calendar and available on individual websites:

- ENTSO-E: [https://www.entsoe.eu./resources/network-Network Codes/](https://www.entsoe.eu./resources/network-Network%20Codes/)
- ACER: <http://acer.europa.net>
- Ofgem: <http://www.ofgem.gov.uk/Europe/stakeholder-group/Pages/index.aspx>

8. Next meeting

The next scheduled meeting for the JESG is 17 April 2013 at Elexon, London.

The actions log and issues logs follow this report.

⁶ <https://www.entsoe.eu/data/entso-e-transparency-platform>

Generic Issues Log

New items are marked in grey.

| Issue No | Issue |
|----------|--|
| 1. | How do the Network Codes align with the individual Framework Guidelines? |
| 2. | Concerns over the mechanism for the publication of data under REMIT |
| 3. | The potential for different definitions of significant across Network Codes |
| 4. | The implementation of the RfG could conflict with CACM as they are at different stages in the Network Codes process |
| 5. | What is contribution of each Network Code to resolve issues? Need a strategic view of the Network Codes but not sure which is the best place to do this. |
| 6. | How is consistency and interoperability being ensured across the Network Codes? |
| 7. | Can the final Network Code to be produced be used to correct errors / inconsistencies in earlier Network Codes? |
| 8. | What is the expected frequency for changes to the Network Codes once implemented? The minutes of the Operational Security Network Code Public Workshop (20/4/12) indicate that a 'frequency of 4-5 years' 'might be needed'. |
| 9. | There should be a general clause in each of the Network Codes to require consultation and NRA approval for elements which are to be defined after the Network Code has entered in to force. Such a condition has been included in the CACM Network Code. |
| 10. | The definition of TSOs in the Network Code may lead to ambiguity due to the certification of additional companies in GB as TSOs (e.g. Interconnectors and OFTOs) |
| 11. | There are various data and information flows defined in various Network Codes which are not obviously consistent. This remains a major concern for the Industry due to changes to processes and infrastructure that will be required to provide this data. |
| 12. | What happens when notifications are provided to the TSO / Relevant Network Operator. Does the TSO have a duty to act upon the notifications? What if they do not comply? |
| 13. | The contractual / market impact of demand side response for domestic customers has not been considered. The DCC and LFR&C Network Codes both deal with capability without outlining how the market will work in practice. Who is the most appropriate part in the UK to have a relationship with the customer for demand side response. |
| 14. | Supplier may be moved to an 'out of balance' position by demand actions taken by the Aggregator / DSO / TSO. This impact on the balancing arrangements will need to be considered. |
| 15. | There are different definitions for 'Significant Grid User' in a number of the Network Codes, so the applicability of the Network Codes to individual users is not clear. |
| 16. | If the term 'Transmission Connected' is used within the Network Codes this will led to discrepancies within Europe and within the UK, and there is no single voltage above which Networks are considered Transmission (e.g. within GB, Transmission in Scotland is at or above 132 kV, whilst in England and Wales it is at or above 275 kV) |
| 17. | Implementation: Can areas of the GB Network Code changed to comply with the ENCs be modified through the normal GB governance arrangements, provided it does not affect compliance with the ENCs? |
| 18. | How do the definitions in the Transparency Regulation, expected to become law as an Annex to Regulation 714/2009 prior to any Network Code, interact with those in the Network Codes? Do the definitions in the Transparency Regulations have primacy over those in the Network Codes? |
| 19. | How will the changes to the GB Framework be made as a result of the European Network Codes, for example, will existing structures (panels etc.) be used where possible, or will third package powers be used to make changes via the Secretary of State? |

| Issue No | Issue |
|----------|--|
| 20. | There are various different terminologies for geographic areas used in the Network Codes. It is not obvious what each definition refers to and this leads to confusion. Examples are bidding zone, control area, responsibility areas, observability area, LFC control area, member state etc. ENTSO-E is considering how to address this issue. |
| 21. | The Cost Benefit Analysis methodology considers socio-economic often on a pan-European basis. There is a concern this will lead to one member states constantly subsidising another member state, or one market party being unduly affected (such as GB merchant Interconnectors). |

JESG Actions

Last Updated: 21 March 2013

Open and ongoing Actions

| Action No | Action | Lead Party | Status | Update |
|-----------|---|--------------------|---------|---|
| 42 | For each Network Code a comparison document between the Network Code and existing GB Codes will be produced. | NGET | Ongoing | |
| 67 | Clarify with Sue Harrison what input DECC expects to need during Comitology for the RFG Network Code <u>Addition 19 Sep:</u> Discuss with DECC how the pre-comitology stage might be taken forward | BV | Ongoing | BV is having an open dialogue with DECC to determine the process. BV/GG met with DECC and said that GB Stakeholders were willing to support DECC through Comitology as required, including providing article-by-article comments on the RFG. There is likely to be some subgroup of the DECC/Ofgem Stakeholder Meeting to consider issues for Comitology Future update will be provided to JESG |
| 96 | Contact large industrial customer regarding the DCC to ensure they are involved, including Chemical Industries Association, Mineral Products Association, Energy Intensive Users Group, Major Energy Users Council, EEF, BEAMA, SEDC. <u>Update (6/12):</u> Continue to engage with contacts at EIUG (Andrew Bainbridge) and MEUC (Jeremy Nicholson) | BV | Ongoing | Ongoing contact is made with a variety of organisations. |
| 105 | Provide an update on the potential implementation mechanism for the Transparency Regulations including the possible interaction with REMIT | Ofgem (Olaf Islei) | Open | Clémence Marcelis (Clemence.Marcelis[at]ofgem.gov.uk) is leading on this for Ofgem. An update will be provided at a future JESG meeting, however, views are welcomed from GB parties including Interconnectors. |
| 114 | Depending on the Outcome of Action 113, Chair to offer that JESG can either meet with DNV KEMA Consultant and or provide written comments to feed in to the Impact Assessment Process. | Chair | Open | |
| 117 | Flag the issue of European Network Codes to colleagues in the Isle of Man to ensure they are aware and are not inadvertently being caught by the requirements | Mike Kay | Open | |
| 120 | Provide an update to JESG on a future Network Code on Tariffs | Reuben Aitkin | Open | The issue of tariffs and incentives is included in the EC Priority list for 2014 which is currently being consulted upon. An update will be provided to a future JESG. |

| Action No | Action | Lead Party | Status | Update |
|--------------------------------------|--|--------------------|--------|--------|
| Issues captured at March JESG | | | | |
| 121 | JESG to consider providing input in to defining the future governance regime for the European Network Codes proposing a mechanism based on the GB model of transparent governance. | Chair | New | |
| 122 | Provide a list of GB representatives on the various ENTSO-E groups | Mark Copley / NGET | New | |
| 123 | At the BSC Panel, raise the option for establishing a BSC Issue Group to pre-empt the required work on implementing the Transparency Regulations. | BV | New | |
| 124 | Report to a future JESG on the work being undertaken by the ENTSO-E 'taskforce' on addressing the TO/SO vs TSO concept in Network Codes. | Mark Copley / NGET | New | |

Actions closed at March JESG

| Action No | Action | Lead Party | Status | Update |
|-----------|---|------------|---------------|--|
| 95 | Arrange a meeting between Barbara Vest, Nick Winser/Mike Calviou, Graham Steele and Ofgem to discuss concerns over Network Code development process, ENTSO-E & ENTSO-G relationship and Stakeholder Engagement. | BV/NGET | Closed | The meeting has not been held, but events have superseded the action and BV will continue to make informal contact as appropriate. |
| 98 | JESG to write to European Trade Associations to highlight GB Stakeholder's disappointment at their poor engagement with ENTSO-E on the revisions on the RFG Network Code following ACERs opinion (particularly highlighting 22/11 User Group), and to seek how GB views can better be represented through these forums. | BV | Closed | BV has spoken to Eurelectric about a more co-ordinated approach, and continues to have further discussion on an informal basis as appropriate. |

| Action No | Action | Lead Party | Status | Update |
|-----------|---|------------|---------------|---|
| 99 | JESG to write to ENTSO-E to highlight continued issues with the Stakeholder engagement process. It being noted that the GB has a strong history of constructive stakeholder engagement, and GB stakeholders want to be engaged in the development of the European Network Codes. BV is also looking to meet with ENTSO-E to discuss these matters, and feedback on the RFG revisions further. | BV | Closed | Update 16/01: Topics to include are problem associated with the ENTSO-E consultation tool (Action 79), and the need to publish material to all stakeholders on an equitable basis. Update 22/03: The feedback was verbally given to Mark Copley (ENTSO-E) at the March meeting, along with a further discussion about ENTSO-E's approach and role. |
| 109 | Provide input to John Lucas, Elexon on the development of the Manual of Procedures by ENTSO-E under the Transparency Regulations. [john.lucas@elexon.co.uk, 020 7380 4345] | All | Closed | John Lucas (Elexon) presented at the March JESG Meeting, so the action is superseded. |
| 110 | Provide at the next JESG an update on the OP&S and specifically the treatment of DC Interconnectors. | NGET | Closed | Brian Taylor (NGET) provided an update at the March JESG on this issue. |
| 111 | Arrange a JESG Technical Workshop for the FCA Network Code to coincide with the planned ENTSO-E consultation. Proposed to be 16/17 May, following the JESG. | NGET | Closed | The JESG Technical Workshop on the FCA will take place on 16/17 May following the JESG |
| 112 | Arrange a JESG Technical Workshop for Balancing Network Code to coincide with the planned ENTSO-E Consultation. | NGET | Closed | The proposed date is 14 / 15 August 2013. This date will be held provisionally pending the release of dates from ENTSO-E for the consultation. |
| 113 | Investigate the potential options for GB Stakeholder engagement with DNV KEMA Consultant who are preparing Impact Assessment of the Network Codes prior to Comitology. | NGET | Closed | In advance of the Comitology for the Requirements for Generators Network Code, the European Commission has engaged technical consultancy DNV KEMA to undertake an impact assessment of the RFG Network Code. It is expected that as part of the impact assessment, the consultant will engage with representatives of the ENTSO-E drafting team and Stakeholders via the ENTSO-E User Group. |
| 115 | Arrange DECC-Ofgem Workshop on OS Network Code for March 2013. Proposed for 18 March. It is noted that this meeting clashes with a CMP213 Workgroup. | Ofgem | Closed | Meeting originally 18 March, but postponed due to congestion in the industry calendar. Now scheduled for 9 April. |
| 116 | Arrange DECC-Ofgem Workshop on OP&S Network Code for August 2013. Proposed for 9 April. | Ofgem | Closed | This meeting will be held on 17 April, after the JESG, due to congestion in the industry calendar. |

| Action No | Action | Lead Party | Status | Update |
|-----------|---|------------|---------------|---|
| 118 | Circulate link to the Elexon paper on 'BSC Impacts of the European Transparency Regulation'. | NGET | Closed | Included in Headline Report, and repeated below: http://www.elexon.co.uk/wp-content/uploads/2012/11/ISG142_04_Transparency_Regulation_v1.0.pdf |
| 119 | Invite John Lucas to present on the Data Transparency Regulations, and specifically the ENTSO-E Expert Group at a future JESG | NGET | Closed | John Lucas is presenting at the JESG in March 2013. |

Operational Planning and Scheduling Issues Log

Last updated: 22 March 2013

Issues 4 – 12 were captured at the Technical Workshop on 17 December.
New items are highlighted in grey.

| ID | Issues | NGET View |
|----|--|--|
| 1. | Can NGET provide an indicative list of Power Stations in GB which may be impacted by this code? | The code discusses what information will be required and from whom but gives a deadline of 3 months after the code comes into force. Therefore at present it is not possible to provide an indicative list. |
| 2. | What is the definition of 'Scheduling' within the Network Code? | Provides TSO with information on the market position prior to real time to allow TSOs to take action(s) if necessary to balance the system in real time |
| 3. | How can planned outages be changed, after they have been submitted at 'year ahead'? | This is still under discussion but most likely there will be no change for GB from how it is carried out at the moment. |
| 4. | Data Provision/harmonisation of dates. Relevant Users may need to provide additional data to support the planning and scheduling requirements of this Network Code. Moreover, as the European planning year-ahead is based on a calendar year, data submission may be required at a different time from that currently required for GB purposes (where the year starts in April) and covering a different period. | The GB calendar for scheduling is a minority in Europe, so it is almost certain we must align with the European calendar. The provisions of the code only apply to users and elements defined as relevant for cross-border system operation issues. |
| 5. | Timescales for determining methodologies. Various methodologies, platforms and processes need to be determined once the Network Code has entered into force. Each of these requirements has a timescale, which varies between 3 and 24 months and is often contingent, without any clear rationale for this timing. For example, Article 21 must be completed within 3 months, but is based on the methodology determined in Article 18 which has a 24 month period for completion. | Acknowledged. The timescales in the document can be improved. |
| 6. | Role of ACER & ENTSO-E. The Network Code places obligations and requirements on ACER and ENTSO-E. This is change to previous Network Codes where obligations have not previously been placed on ACER and ENTSO-E which are beyond their legal competencies established in the Regulations. | This construction is based on the latest legal advice from ENTSO-E |
| 7. | NRA Approval. There is no reference to approval of anything by NRAs. Article 3(3) and within the Network Code the term <i>consult</i> is used instead. | This construction is based on the latest legal advice from ENTSO-E |
| 8. | Interaction with CACM. The CACM Network Code requires Common Grid Models to be determined at specific times for the purposes of operating the market. Although the output of the OP&S Network Code deals with System Security, there is a clear interaction between the models devised under the OP&S (Article 14) and those required for the CACM Network Code. | This is likely to be a matter for individual member states when they implement the OP&S and CACM Network Codes. |

| ID | Issues | NGET View |
|-----|---|--|
| 9. | <p>Relevant Users. Users who are identified as impacting upon cross-border planning and scheduling will face additional obligations under this Network Code. Due to these obligations, their ability to operate in the market may be affected, causing a distortion to the market.</p> <p>An example would be if a generator completed a planned outage early; the user would only be able to reconnect if their 'request' for the adaption of the validated outage plan is approved in line with the change procedure in Article 24. The current arrangements in GB are less stringent.</p> | <p>It is not the intent to distort the market by the Network Code.</p> <p>Please provide specific comments where you feel this may occur.</p> |
| 10. | <p>Overlap with REMIT¹. Market parties have obligations to publish data relating to outages under REMIT. It is not clear how these REMIT obligations match with the requirements in the OP&S, or how changes to the outage plan due to the requirements of the OP&S need to be reported under REMIT obligations.</p> | <p>This has now been considered.</p> |
| 11. | <p>Forced Outages. The definition of Forced Outages currently only covers emergency events rather than any 'unplanned' situation. The wording and requirements need to be expanded to cope with the various types of unplanned outages such as those found in the GB framework.</p> | <p>Please submit appropriate comments to clarify your issues and suggest alternative wordings based on GB examples, e.g. Grid Code and CUSC.</p> |
| 12. | <p>Actions to Achieve/Restore Operational Security. For example in article 23 (5). These need to either be broader than load-shedding or clarify that load-shedding is only to occur after all other possibilities have been exhausted. Who arbitrates in the case of disputes should be indicated</p> | <p>There will be a general economic & efficient argument to be followed here as in the current GB NETS SQSS.</p> <p>Please submit comments as appropriate.</p> |
| 13. | <p>Relevance. Can a Grid User be identified as relevant by where the Responsibility Area in which it is connected is DC connected to other Responsibility Areas</p> | <p>This is possible but it is second order relevance ie the relevance arises due to the TSO restricting interconnector capacity. NGET to discuss whether this is covered by the Codes methodology for determining relevance.</p> |
| 14. | <p>Definitions. Definitions for outage areas need to be tied to a defined term, such as Responsibility Area, rather than a geographic term (cross-border) which is not a defined electrical term.</p> | <p>We shall seek to influence the drafting team to rectify this issue.</p> |
| 15. | <p>Before Year Ahead Planning. The Network Code requires data to be submitted from 3 years ahead, although the formal processes do not start until Year Ahead. Further processes needs to be defined for the period before Year Ahead.</p> | <p>We shall seek to influence the drafting to highlight this issue.</p> |
| 16. | <p>Interaction with REMIT and Data Transparency Regulations. The Network Code can potentially change outage plans. Outage plans are an aspect to be reported under REMIT. There is a need to ensure that the requirements of the OP&S are compatible with REMIT.</p> | <p>Further consideration needs to be given to the requirements of REMIT and the Transparency Regulations. We shall seek to influence the drafting to highlight this issue.</p> |
| 17. | <p>DC Interconnectors. The Network Code does not deal with the specificities of DC links, and treats all interconnectors the same. Further consideration needs to be given to ensure DC Interconnectors are treated appropriately for their technical capability.</p> | <p>We shall seek to influence the drafting to highlight this issue.</p> |

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:326:0001:0001:EN:PDF>

Load-Frequency Control and Reserves Issues Log

Last updated: 21 March 2013

Issues numbered 7 to 23 were captured at the JESG LFCR Technical Workshop on 19/20 March 2013.

| Issue No | Issue | NGET View |
|----------|---|--|
| 1. | How will the LFR&C Network Code implement sharing of reserves between Synchronous Areas? | The LFR&C Network Code will specify the exchange capability and limits for exchange between synchronous areas and will apply to all HVDC links. The products, market structure and any financial vehicles will be defined in the Balancing Network Code. |
| 2. | Are criteria for determining a credible loss to be included in the Network Code? | The Code places an obligation on the TSO to publish high level methodology statements for determining reserve dimensioning and holding; the current NETSO's operational approach of continual assessment of holding based on risk/cost is expected to continue. |
| 3. | Does this code use the term "Significant Grid User" and what are the obligations on providers in terms of for example categories of generator defined in the RfG? | This Code does not use the term 'Significant Grid User' it uses "Reserve Provider". For some reserve categories there are obligations, for example in terms of detailed information for those units which are reserve providing units greater than 1MW in size. The determination of who qualifies or whether the service is mandatory or optional is not defined in this code. There may be some changes in the data items and frequency of data provision within the code. |
| 4. | Which Grid Users will be captured as being required to comply with the requirements of the LFR&C | The term 'Reserve Provider' is used. There is a prequalification process and items are inferred from the RFG and DCC, but it is acknowledged that it is not explicitly defined. As in Q3 above, the code does not define any obligations and this is left to either the balancing code, local implementation considerations. |
| 5. | Implementation in GB. Appropriate terminology needs to be found in the Network Code to either reflect the single NETSO / multiple TSO arrangement in GB, or to ensure the wording is sufficiently high level to allow the GB model to operate within the constraints of the Network Code. | Noted. National Grid agrees with the position of the JESG. This is a common issue with many Codes & it may be better to be considered by GB at a higher level to achieve a single cross-codes position. Solutions could be: <ul style="list-style-type: none"> - Satisfy with text in the code - Address during national implementation - Seek a generic solution across all codes |
| 6. | When will detailed methodology statements for the principles outlined in the code Articles be developed? | There is a requirement from ACER for the code drafting teams to develop high-level methodology statements in parallel to the code drafting and supporting document development. In practice due to the time constraints this will not be done until after the public consultation. It is not clear at this time how detailed or how publicly visible these statements will be. NG expects and hopes that there will be room to develop appropriate local methods in conjunction with industry and regulator. |

| Issue No | Issue | NGET View |
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| 7. | NRA approval should be required for each area of the code to be further defined on a national level after entry into force. | NG has no issue with this. Might be neater to do as a blanket clause in the general provisions chapter rather than on each instance in the text. |
| 8. | Putting GB / member state specific numbers into the code means that amending these could only be done by amending the code. Needs to be a clear mechanism for affecting changes to the code. | Agreed. This again is an issue with all codes and also represents the conflict between putting detail into a code and leaving it out. |
| 9. | Performance against the numbers given in the code would be useful. | There are some statistics to monitor (eg arts 10, 12) but could be drawn out in supporting documents. Performance against the numbers does drive investment in the network and operational costs. |
| 10. | Can you highlight the values in art 9 table 1 that are already in GB codes and where? | The values do generally come from current practice. Details to confirm. |
| 11. | The parameters in the code(s) will be used to specify equipment with a 40-60 year life. In some instances the information is not sufficient and in art 9(4) the ability to change frequency quality parameters needs clarification and should mention CBA & NRA approval. | More detail will be provided during national implementation (see pt 8 above). CBA is inherent in all retrospective application. NRA approval – see pt 7. |
| 12. | Art 9(4)(d) Excludes IRE & GB. Why & what equivalent covers GB ? | This is because other areas take a very different approach to reserve holding with these being evaluated much more coarsely on an annual basis rather than continually as in GB. A 1 in 20 year approach does not work for GB. |
| 13. | Applicability – the code needs to clarify application to different generator types in RfG and DCC terminology, also application to new and existing. | Agreed on RfG and DCC. Retrospectivity will only apply with CBA. |
| 14. | Art 15 – Mitigation procedures. Poor drafting in this article which appears to place lower obligations on TSOs compared to Grid Users. | Feed into redrafting from GB will look at: <ul style="list-style-type: none"> - Enforceability - TSO obligations - Payments for services - Technical feasibility of actions |
| 15. | TSO roles – requirement for clarity to resolve where requirements are on a NETSO and where on a TSO. (and see pt 5 above) | Solutions could be: <ul style="list-style-type: none"> - Satisfy with text in the code - Address during national implementation - Seek a generic solution across all codes Mark Copley suspects way round this may be through designation from member states. |
| 16. | Will GB use ACE or LFC error? Needs alignment and consistency. (see arts 20 & 10) | GB does not use ACE or k-factor. NG operates the system on the basis of controlling frequency deviation. |
| 17. | Can all obligations on providers be put in a particular place? | Probably not practical to achieve this – a list of references could be provided in the supporting documents. |
| 18. | Art 27 – State figure for reference incident. | Likely to be in supporting document; for GB this will be 1800MW (single largest infrequent infeed loss). |

| Issue No | Issue | NGET View |
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| 19. | <p>Art 28 – FCR Technical Minimum Requirements. Can this be aligned with RfG? GB users did not support this article as drafted which also seems to exclude domestic providers and smaller generators.</p> | <p>For GB, time categorisations are all within the activation time. There could be requirements for a range of products across timeframes; rather than breaking these down the code specifies a minimum requirement but has not factored in current & future provisions and is written around larger generators. GB is market based for these services whereas in Europe there may be statutory obligations.</p> |
| 20. | <p>Art 30 – FRR. What are the figures based on?</p> | <p>To put in supporting documents.</p> |
| 21. | <p>Art 33 – RR What are the RR dimensioning rules? Also, how do you activate RR? (no equivalent of arts 29 / 32 for FCR and FRR respectively).</p> | <p>To follow up.</p> |
| 22. | <p>Art 37 – Exchange of FRR and RR. Could this sterilise interconnector capacity? Needs NRA oversight to ensure this is not used up.</p> | <p>Needs to facilitate sharing but define limits to assure security. Needs a mechanism to demonstrate social welfare – which is in Balancing.</p> |
| 23. | <p>The TSOs should have an obligation to:</p> <ul style="list-style-type: none"> ○ measure the quality of supply and report on it ○ control the rate of change of frequency, to avoid and protect against large/significant variations in system frequency. | <p>TBC</p> |

Balancing Issues Log

Last updated: 22 March 2013
New items are marked in grey

| Issue No | Issue | NGET View |
|----------|--|--|
| 1. | There is a need to understand the implication of the Framework Guidelines on the current GB market and ongoing changes. | Now the Framework Guidelines have been finalised, the Network Code is being developed. Once the requirements in the Network Code become clearer, it will be possible to determine further the implications for the GB market. |
| 2. | Which definition of 'Control Area' is the Balancing Network Code expected to be used. Is it the market definition in CACM, or the technical definition in LFR&C, as the Balancing Code interacts with both of these Codes. | Drafting is at an early stage, and consideration will be given by the Drafting Team to ensure the appropriate definitions are used in the Balancing Network Code. |
| 3. | Recompense for services in other Network Codes. The Balancing Network Code sets out a high-level mechanism for payment through balancing service providers such as aggregators. Whereas the DCC places obligations on individual domestic consumers. There is a perceived mismatch between the obligations (placed on individuals) and the compensation (placed on aggregators). | DCC sets capability and Balancing provides mechanism for recompense. This does not appear to be a mismatch. |
| 4. | Merchant Interconnectors. The merchant model for GB Interconnectors needs to be represented in the Balancing Network Code. Capacity on a merchant interconnector has a value to the owner and this should be reflected in any decision to curtail or use capacity through this Network Code. | The code has been drafted on the basis that what is not prohibited is allowed. NGET is a member of the drafting team and is representing itself. Opportunity for all stakeholders to engage with the development of the Code will form part of the development process for the Network Code, in particular during the public consultation. |
| 5. | Imbalance calculation. The imbalance calculation in the Network Code may be different to that in the current GB market, which would have implications for GB as it provides different signals to market parties. GB Energy imbalance = Contracted & vs. Metered Volume (physical imbalance) Balancing NC calculates Imbalance Volume from Allocated Volume and notified Position – it's not clear this is consistent with GB practice (e.g. it could be interpreted as something more akin to GB Information Imbalance) | TBC |
| 6. | Coordination Balancing Areas (CBA). What is the timescales for the determining the CBA. | Formally, the Network Code states that they will be determined after entry into force. However, through the ENTSO-E pilot project, we would expect initial views to be formed fairly soon and prior to the code's entry into force. |

Forward Capacity Allocation

Last updated: 22 March 2013

New Items are highlighted in grey.

| Issue No | Issue | NGET View |
|----------|--|--|
| 1. | Do the data submission requirements for FCA overlap with the OP&S code? | The current ENTSO-E view is that yes they do. This has been highlighted to the lead of the capacity calculation drafting team and will be factored in when writing the data methodology specification. |
| 2. | The 'Capped Market Spread' identified as a potential compensation principle in the firmness regime relates to what market prices; that at D-1, that at the time of curtailment or something else? | Based on market spread of Day Ahead market. |
| 3. | What are the timescales for the market parties to use the common platform being proposed? Market Parties need time to make the necessary changes to their IT systems etc., after the system has been implemented centrally. | The network code will provide the timescales for implementation and include consultation with stakeholders and NRA approvals. |
| 4. | It is fundamental for existing GB Merchant Interconnectors that they are able to calculate and control capacity, or else they do not have a future business model. This Network Code may detrimentally affect how capacity is calculated and controlled. | This issue is closely correlated with generic issue 10 (certification status of TSOs in GB). |

HVDC Issues Log

Last updated: 15 January 2013

| Issue No | Issue | NGET View |
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| 1. | Why do the requirements for PPMs only extend to those connected Offshore? There is potential for Onshore PPMs to be connected only via HVDC | Drafting is at a very early stage and consideration of this and other issues will be taken by the drafting team. |
| 2. | How will a small island be considered, if it is connected to the Synchronous Area only by HVDC? In the extreme case, GB is an island connected via HVDC to the European Synchronous Area, so a form of words need to be found to ensure requirements are placed on the right parties | Drafting is at a very early stage and consideration of this and other issues will be taken by the drafting team. |
| 3. | Consideration needs to be given to the various configurations of PPMS and HVDC networks, to ensure that obligations are fair and transparent. | Drafting is at a very early stage and consideration of this and other issues will be taken by the drafting team. |