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Headline Report

Meeting name	Joint European Standing Group (JESG)
Meeting number	5
Date of meeting	25 January 2012
Location	Elexon, London

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

1. **Issues Log Review.** Due to the recent publication of the Requirements for Generators Network Code consultation, the issues log will be reviewed at the next JESG as some issues may no longer reflect the new draft.

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 – formal consultation launched
   - Demand Connection Code – drafting team established
   - HVDC Connection Code – drafting not commenced
   - Connection Procedures Code - drafting not commenced

   Requirements for Generators (RfG)
   - ENTSO-E launched the public consultation[2] on the RfG Network Code on 24 January 2012 for a period of 8 weeks until 20 March 2012
   - An updated copy of the frequently asked questions and a 'motivation and approach' paper which provides reasoning for the choices made in the Network Code has also been published together with the consultation
   - A RfG technical workshop was held with JESG members on 14 December 2011 which focused on comparisons between the current GB Grid Code and the Network Code
     - Initial comparison document provided by Scottish Power
     - Group produced 12 proposed new issues for the JESG issues log
     - Feedback was given to the ENTSO-E drafting team which resulted in several parts of the RfG consultation proposals to be changed
   - The 12 proposed issues have remained on the issues log (see appendix below) with a view to discuss these at the next JESG RfG technical workshop
   - National Grid have produced a comprehensive (~50 page) comparison matrix between the Grid Code and the RfG which will be updated in line with the new draft and published shortly

   RfG Workshops
   - ENTSO-E will be holding a public workshop on 15 February 2012 to discuss the RfG consultation and to allow stakeholders to provide feedback on the development process

   - The JESG will also hold a technical workshop on 22 February 2012 in London to discuss the latest RfG Network Code in detail along with NGET's comparison between the GB Grid Code and the latest RfG Network Code draft
   - As the technical workshop will replace the original February JESG meeting it is proposed to hold the JESG the day after on 23 February 2012

[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

[2] https://www.entsoe.eu/index.php?id=612

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.
- The expert group will be meeting in early February 2012 to discuss the drafting of the Code
- Services being considered include
    - Frequency response from temperature controlled demand e.g. refrigerators
    - Electric vehicles for reserve services
    - Low frequency demand disconnection

3. Ten Year Network Development Plan (TYNDP). The EU-TYNDP is a ten year view of pan European transmission investment and will review barriers to increase cross border capacities.

- The ENTSO-E drafting of the TYNDP is almost complete and the full version is expected to be published in June 2012
- An assessment will be made of the plan's resilience, adequacy and its ability to deliver wider European Energy Objectives
- The National TYNDP will have to be conducted every year and will indicate areas such as the transmission reinforcements to be built
- National Grid is seeking to evolve the Seven Year Statement (SYS) to be aligned with the TYNDP

4. Transparency Guidelines.

- The European Commission consulted on a set of guidelines[3] in 2011 which will become mandatory. However, the conclusions have not yet been published
- The next phase is for it to progress to the Comitology phase which is anticipated to start around Easter and last for approximately a year
- It is expected to place obligations on certain parties (e.g. generators and transmission system operators) to publish 'fundamental electricity data'.
- ENTSO-E will be developing the definitions paper and consult on it before its application
    - ACER will provide views on these definitions
    - ENTSO-E will engage with stakeholders to review the definitions paper with initiation expected around Q1/Q2 2012.
- A new data platform will be created by ENTSO-E to publish the required data.
- A competitive tender process will shortly be undertaken to identify suitable service providers for the delivery of the data platform

REMIT – Regulation on Energy Market Integrity and Transparency

- New European legislation aims to:
    - Prohibit insider trading
    - Prohibit market manipulation
    - Monitor trading activity
- REMIT came into force on 28 December 2011[4]
    - ACER published guidance to the implementation on 20 December 2011
    - Ofgem REMIT Working Group on 11 January 2012
    - Paper presented at the BSC Panel on 12 January 2012 to discuss market data reporting[5]
- Modifications to the Grid Code and BSC may be required to deliver the transparency guidelines and REMIT requirements
- ACER guidance suggests that central platforms to be approved by the national regulators but company websites can be used in the interim for disclosure of REMIT inside information
- Enduring solution needs to be implemented by 2013
- A potential solution proposed by Elexon is the provision of an "Elexon Portal" which may enable users to enter REMIT inside information.
    - BSC Panel not supportive as in the event of the Portal failing, the user would still be liable

[3] ERGEG Transparency Paper
http://www.energyregulators.eu/portal/page/portal/EER_HOME/EER_CONSULT/CLOSED%20PUBLIC%20CONSULTATIONS/ELECTRICITY/Comitology%20Guideline%20Electricity%20Transparency/CD/E10-ENM-27-03_FEDT_7-Dec-2010.pdf

[4] http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Activities/REMIT

[5] http://www.elexon.co.uk/ELEXON%20Event%20Documents/193_08_New%20EU%20Requirements%20for%20Reporting.pdf

- A possible enduring solution is that the BMRS can be changed to support this but it will be costly and take time to implement

5. Capacity Allocation and Congestion Management (CACM) Framework Guideline.

- Will create a pan European electricity market by removing barriers for cross border trading subject to network constraints
- Minimal disturbance to market rules
- Day ahead market – transfers between markets sold via implicit auctions
- Intraday market – (continuous market) allows parties to optimise position as close to real time as possible
- Potential for market splitting on a geographical basis which will be decided by the national regulator
- There will not be day ahead or intraday explicit auctions on interconnectors
- Flow based methodology may reduce our interconnector capacities to Europe
- The Network Code will undergo industry consultation in Spring 2012
- The next ENTSO-E stakeholder meeting will be on 2 February 2012

6. System Operation Framework Guidelines.

- The Framework Guidelines[6] were published on 6 December 2011 and will be finalised subject to agreement by the European Commission
- These responses to the initial consultation document were published on 5 December 2011 on the ACER website
- A further update will be given at the next JESG

7. Electricity Balancing Markets Integration Framework Guidelines.

- 3 expert group meetings have been held by ACER and the minutes from the 3rd meeting will be published shortly. The minutes from the first two meetings are available on the ACER website[7]
- A consultation on the EBMI FG will be issued in February/March 2012 and more content should be brought to the February JESG for discussion.

8. Next meeting.

- The next meeting will be held on 22 February 2012 at Elexon's offices in London
- This will be a technical workshop to discuss the consultation on the latest RfG Network Code
- The February JESG meeting is scheduled to take place the next day on 23 February 2012

9. AOB

- Abid Sheikh provided an update to the actions assigned to Ofgem:
- What is the process for changing the Network Codes: This is something for ACER to develop. CEER and ACER have been developing internal papers on this issue, as soon as there is something public this will be shared with the JESG group.
- Circulate the link to ACER's roadmap[8]
- How to attend the Florence forum - The forum is not open to general attendance. The invite list is restricted to the Commission, Member State Government representatives, Regulators/ACER, ENTSOE and European trade bodies. If JESG members would like to try and get access to these meetings the only route as a representative of their European trade organisation. All the papers from the Forum and the Forum conclusions are available online: http://ec.europa.eu/energy/gas_electricity/forum_electricity_florence_en.htm

The issues log can be found on the next page

6 http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Stakeholder_involvement/Public_consultatations/Closed_Public_Consultations/PC-05%20-%20FG%20on%20System%20Operation/Final%20Version%20of%20the%20FG

7 http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Stakeholder_involvement/Expert%20Groups/Expert%20Group%20on%20Electricity%20Balancing

8 http://www.acer.europa.eu/portal/page/portal/ACER_HOME/Activities/Regional_Initiatives

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Appendix - Actions & Issues Log

Action No	Action	Lead Party	Status
1.	What is the process for changing the individual Network Codes? E.g. after Comitology	Alicja Buczkowska	Complete
2.	Investigate the creation of a technical subgroup for RfG	NGET	Complete
3.	Circulate link to ACER's roadmap when it becomes available	Alicja Buczkowska	Complete
4.	Check whether an invitation is required to attend the Florence forum, if so is it possible to request an invitation?	Alicja Buczkowska	Complete
5.	Determine the priority issues within the issues log	Barbara Vest & Ian Pashley	
6.	Presenters to investigate providing speaker notes in future presentations	All	Complete
7.	Investigate whether it is possible to provide a comparison between the Grid Code and the RfG Network Code	NGET	NGET to circulate shortly
8.	JESG to agree list of top 10 issues for the RfG	All	
9.	Consider whether a group response to the RfG consultation should be sent to ENTSO-E	All	
10.	Members to look at Transparency Guidelines in detail and provide feedback by 03 February 2012	All	
11.	Circulate the link to the Electricity Balancing FG Expert Group	Abid Sheikh	Complete (footnote 7)
12.	Investigate whether the July and August JESG meetings can be moved to an alternative venue due to the Olympics	Steve Lam	

Issue No	Issue
1.	How do the Network Codes align with the individual framework Guidelines?
2.	RfG – Current Grid Code obligations for GB generators vary on whether they are Small, Medium or Large. The RfG drafting has four categories; A,B,C and D. Is this graded approach appropriate?
3.	RfG - What is the GB governance process to be used when determining what criteria will be used to determine the various classes of Significant Grid Users (i.e. A,B,C or D)?
4.	RfG – The precise methodology for the Cost Benefit Analysis that will be used by GB to determine whether to apply European obligations retrospectively will not be set by the RfG Network Code.
5.	RfG - How will it be possible to demonstrate that the Grid Code complies with the Network Code? Any flexibility may cause further debate
6.	Concerns over the mechanism for the publication of data under REMIT
7.	RfG – Some parameters within the NC can be set anywhere within a range, by each synchronous zone (i.e. Great Britain). How will the GB parameters be set under? And by

	who? (page 44 of 24 Jan RfG draft)
8.	RfG - The parameters for the reactive power range may be too inflexible and should therefore be future proofed
9.	RfG – A proportion of parameters and obligations that are currently in the Grid Code can remain the same if the current draft for the RfG NC was implemented. But which parameters would HAVE to be changed if the current draft was applied?
10.	RfG – The proposed frequency operating range for GB looks more onerous than those specified for the other synchronous zones. (page 14 of 24 Jan RfG draft)
11.	RfG – The minimum threshold to classify users as Type B Users in GB has been set at 1MW. What is the justification for this? (page 11of 24 Jan RfG draft)
12.	RfG – Does the proposed drafting for Article 9 Paragraph 2(a)(1) of the RfG NC comply with the current GB obligations around Electronic Despatch Logging (EDL) in the Grid Code?
13.	RfG – Article 9 paragraph (b) concerns the provision of inertia and contains the wording "may be required" which is very open. However the decision whether Synthetic Inertia is required will be delegated to the national level.
14.	RfG - The RfG Network Code in its current form is not as clear as it could be
15.	RfG – Clarify whether the Authority can retrospectively apply a Cost Benefit Analysis
16.	RfG – some of the recitals in the consultation are inaccurate and may require updating
17.	RfG – how will the network code be integrated into the existing Grid Code?
18.	RfG – will there be a cut off date for the existing regime and new regime under the RfG Network Code?

Technical RfG Sub Meeting
Issues for JESG log

14th December 2011 – Elexon's Euston Offices

1. The RfG drafting team has prepared justification documents for the Network Code. Is National Grid intending to produce a GB specific justification?

2. What is the formal governance process for the setting of TSO parameters?

3. The upper voltage operating limit is currently 15 minutes in Grid Code but in the RfG it has been increased to 20 min

4. What is the impact going to be of the RfG on GB Codes other than the Grid Code/ Distribution Code? E.g. STC/ CUSC

5. What were the assumptions behind the minimum Fault Ride Through (FRT) obligations for sub 132kV network?
   If FRT obligations are going to applied to Type B and Type C generators where is the positive Cost Benefit Analysis?

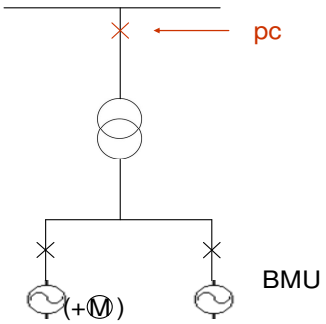
6. The definition for "Generating Unit" is confusing – for both Synchronous and PPMs

7. Related to point 6 – clarify the definition of offshore

8. Has the phrase "Significant" been correctly interpreted from the Framework Guidelines?

9. Some attendees questioned whether the methodology/ criteria for determining the boundaries between Types (e.g A,B,C,D) should be in the RfG Network Code

10. What happens when there is a common/ shared Point of Connection? e.g. Cruachan and Ffestiniog



The point of measurement for reactive power from embedded generation has moved from the HV side of the transformer to the connection point – this does not seem appropriate

11. Who will own the Dynamic System Monitoring (DSM) equipment? (Fault recorders)

12. **Auto-reclosure** obligations have changed (8-2(a))