

# Joint European Standing Group *Meeting 32*



20 January 2015  
Elexon, London

# 1. Introductions



Barbara Vest  
JESG Independent Chair

## 2. Review of the Action Log



Tom Selby  
JESG Technical Secretary

# JESG Standing Actions

Action No	Action	Lead Party
S1	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
S2	Engage with DECC and Ofgem to ensure appropriate and timely input can be provided from GB Stakeholders in to the Comitology process.	JESG Chair
S3	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair
S4	Provide update on future Network Codes and incentives being developed as and when appropriate.	NGET/Ofgem/DECC
S5	If required by the Commission, facilitate an industry-wide read-through of the Network Codes once they are released by the Commission . (formerly Open Action 135)	JESG Chair/Ofgem/DECC
S6	Stakeholders are requested to provide specific example of inconsistent or problematic definitions in the Network Codes to Ofgem ( <a href="mailto:natasha.z.smith@ofgem.gov.uk">natasha.z.smith@ofgem.gov.uk</a> ) and DECC ( <a href="mailto:elena.mylona@decc.gsi.gov.uk">elena.mylona@decc.gsi.gov.uk</a> ). (formerly Open Action 140)	All
S7	Consider the need for how to best capture stakeholders' most recent priority issues before and during the Comitology process, in particular for the RFG, DCC and CACM Network Codes as the codes develop in the pre-comitology phase.	DECC

# JESG Actions

Action No	Action	Lead Party	Status	Update
152	Arrange another stakeholder group workshop on RfG Network Code following publication of the next draft.	NGET/ DECC/ Ofgem	Open	Awaiting new RfG draft
163	Invite Simon Reid (GB ENTSO-E Balancing Pilot Project Stakeholder Representative) to a future JESG meeting to provide an update on the Balancing Pilot Projects.	NGET	Closed	Simon was unavailable in December, attending January 2015.
176	Identify small generators who may benefit from the Energy UK Seminar on EU Network Codes in New Year 2015	Energy UK/ NGET/ DECC/ Ofgem	Closed	Parties identified and contacted.
178	Coordinate GB TERRE Stakeholder Workshops to be held after ENTSO-E meetings.	NGET	Open	

## JESG Actions (continued)

Action No	Action	Lead Party	Status	Update
179	Will the TERRE MoU be made available to NRAs and stakeholders?	NGET	Open	
180	Consider when Balancing Code stakeholder workshop should be held, to follow ENTSO-E meeting if possible.	Ofgem	Closed	20 January 2015
181	Publicise the TERRE stakeholder group through the BSC Panel Executive Report and through the subgroups.	Steve Wilkin, Garth Graham	Open	
182	Speak to press contacts to publicise CACM, and consider if this needs to be raised as an agenda item at a future JESG.	Energy UK	Open	
185	Decide whether to hold a Balancing Code Meeting in place of a JESG meeting in January 2015.	Ofgem	Closed	Ofgem Balancing Code Meeting held early January to meet ACER Call for Stakeholder Comments deadline.

## 3. Update on EU Network Codes

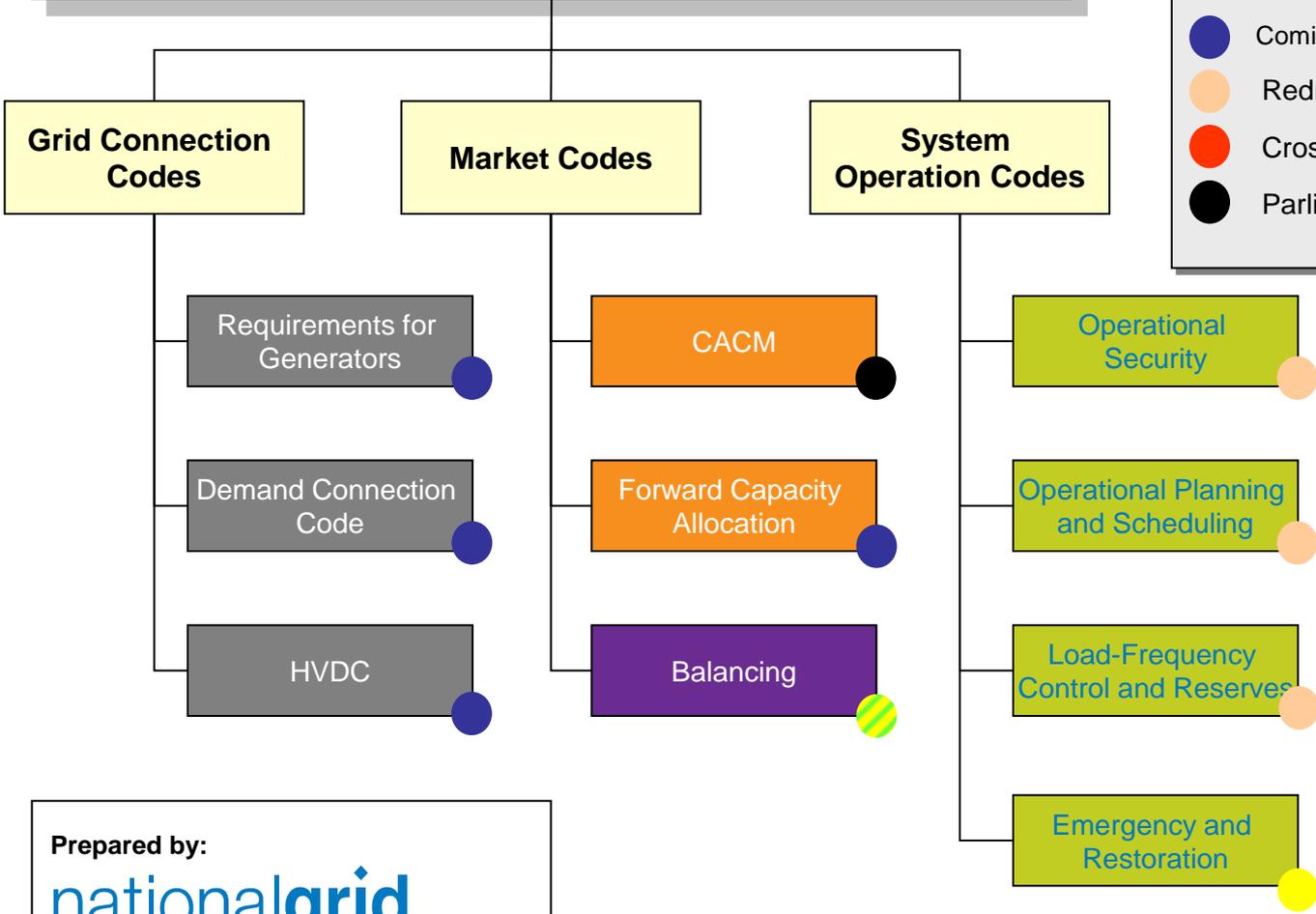


Tom Selby  
JESG Technical Secretary

# European Electricity Codes Development Status

5 January 2015

**Third Energy Package:** Areas for Network Codes and Guidelines detailed in Articles 8(6) & 18(3) of Regulation 714/2009 (EC)



**Drafting / Revisions**

- ENTSO-E Drafting
- ACER Review
- Revisions following ACER Review

**Comitology / Approval**

- Comitology preparations & informal discussions
- Redrafting as required by Commission
- Cross-Border Committee
- Parliament/Council Approval

**Published in OJEU**

Reg (EU) No 543/2013  
Transparency Reg.

**Future ENCs:**  
indicated as future ENCs, no timescales advised to date

Connection Procedures

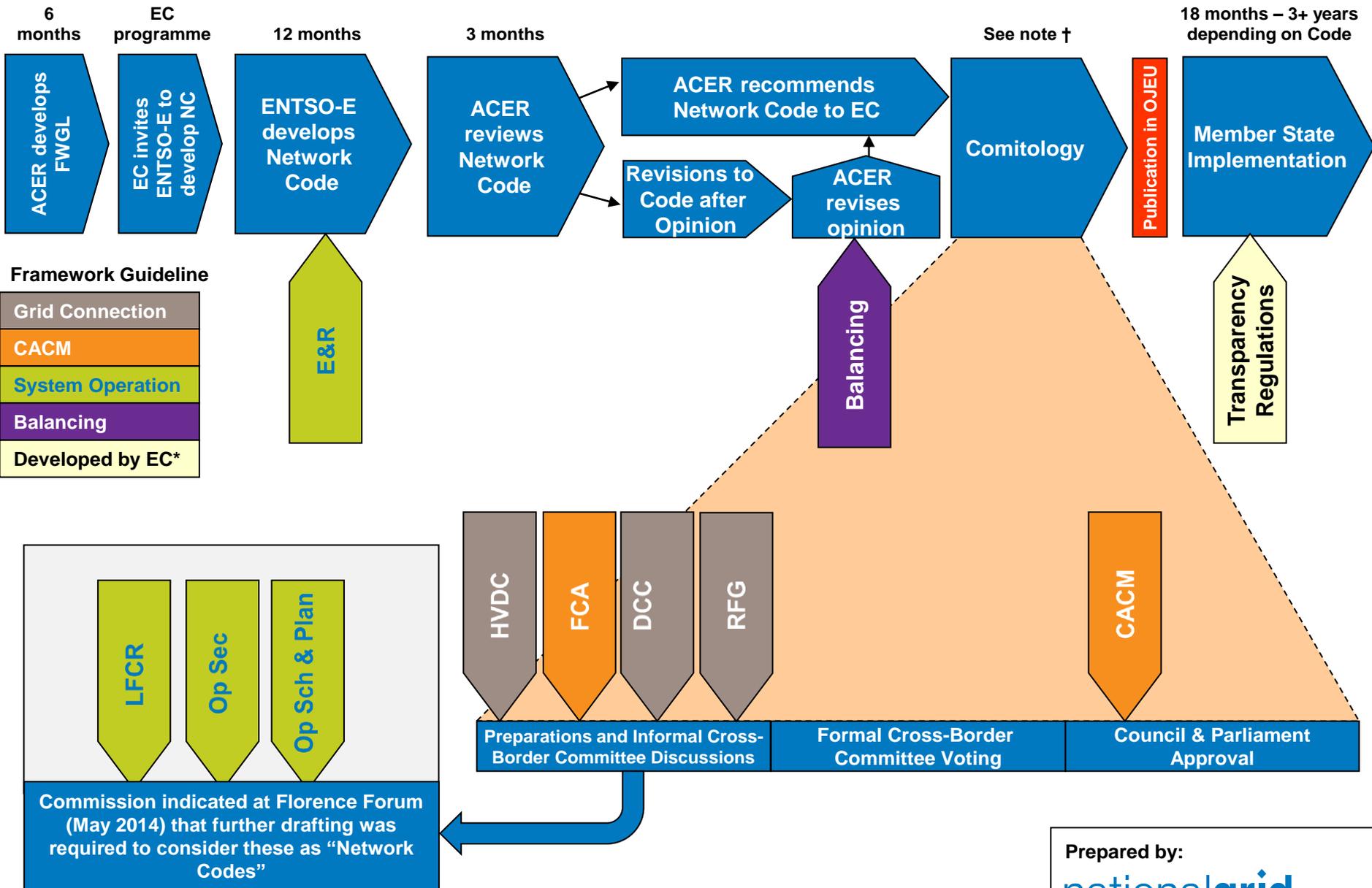
Staff Training and Certification

Prepared by:

**nationalgrid**

[europencodes.electricity@nationalgrid.com](mailto:europencodes.electricity@nationalgrid.com)

# European Electricity Codes Development Status: 5 January 2015



Prepared by:  
**nationalgrid**  
[europeancodes.electricity@nationalgrid.com](mailto:europeancodes.electricity@nationalgrid.com)

\* Areas developed by EC follow a different development process and there are no Framework Guidelines.

† Timescales for the stages of Comitology are not specified and under the Commission control

## 4. ENTSO-E Balancing Pilot Project Stakeholder Advisory Group



Simon Reid  
Scottish Power

## 5. Implementing ENCs in GB and Reviewing Stakeholder Forums for ENC Development and Implementation



Barbara Vest, Mark Copley, Natasha Smith  
JESG

## **Implementing Electricity ENCs in GB and reviewing Stakeholder Forums for ENC Development and Implementation**

January 2015 JESG meeting  
20/01/15

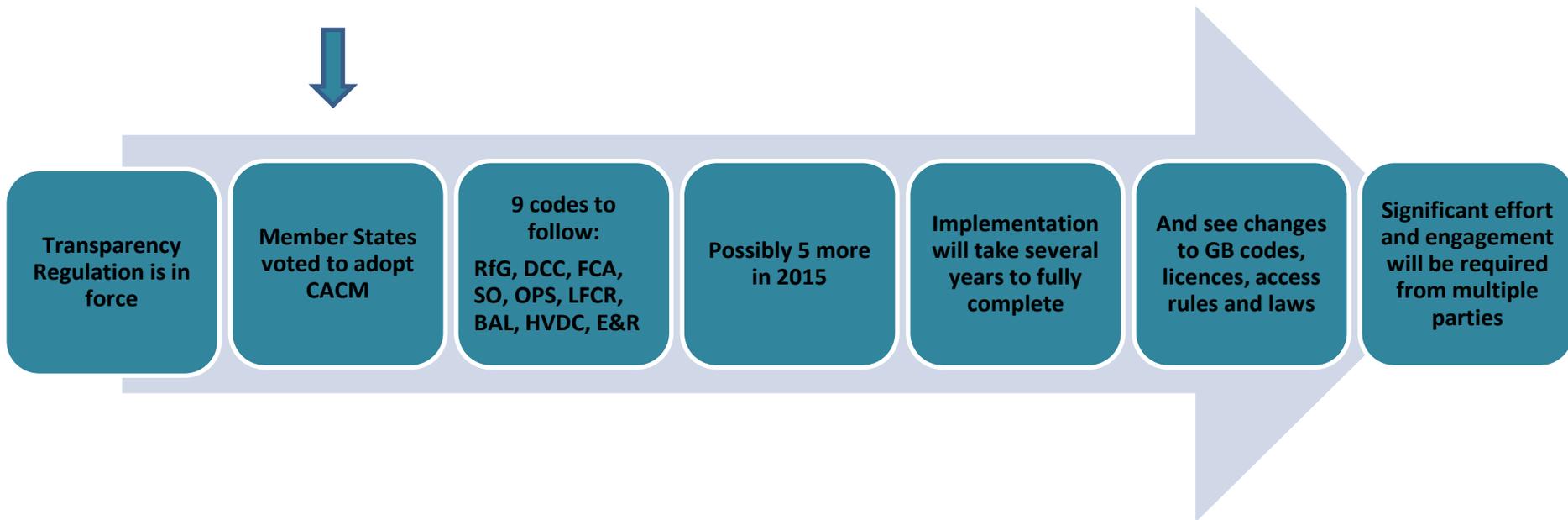
ofgem

## **1) Implementing Codes in GB**

- i. Where we are today
- ii. Ofgem open letter 18<sup>th</sup> December 2014

## **2) Reviewing stakeholder forums for ENC development and Implementation**

05/12/14



## Our principles

**Legal basis** – ENCs are EU regulations.

**Proportionality** – We will make minimum changes necessary to implement.

**Timeliness** – We aim to implement all on time.

**Transparency** – We will involve stakeholders throughout.

## Responsibilities

DECC will make legislative changes where there is no alternative

Ofgem will change licences and require changes to access rules and charging methodologies

Industry code changes will be coordinated by relevant industry parties and the timely delivery overseen by code panels

Stakeholders should use the opportunities provided to engage in the process

## Implementing CACM

Critical initial tasks include:  
- NEMO Designation  
- Assignment of TSO responsibilities

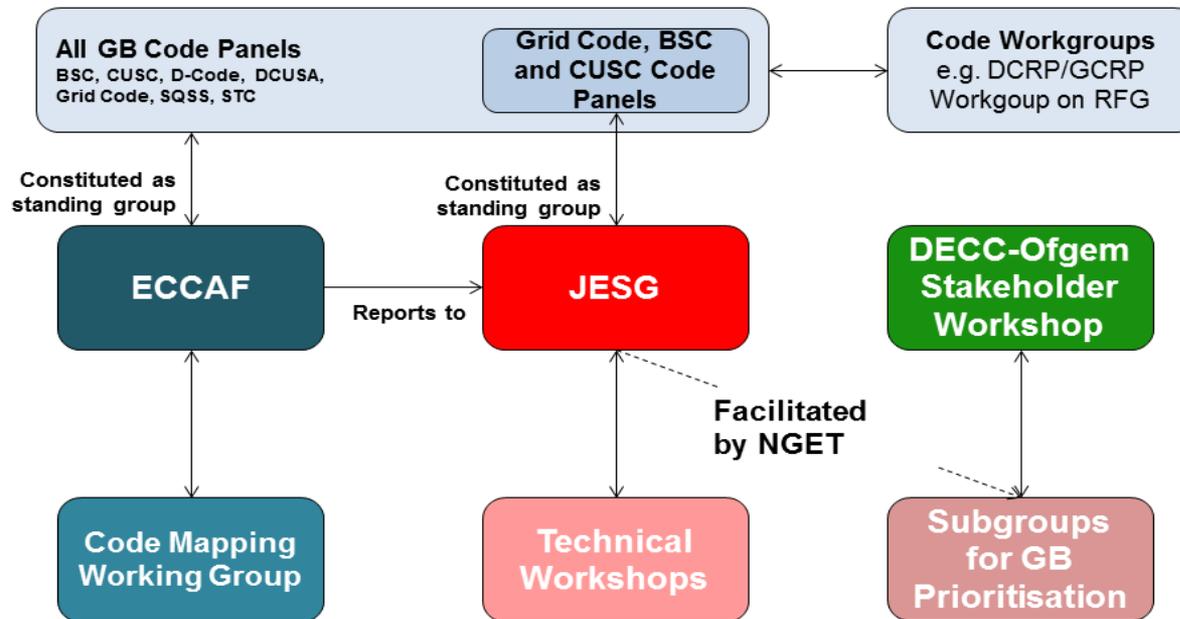
Pan – European and Regional Activities:  
- Coordinated TSO and NEMO proposals  
- Coordinated European NRA approvals

GB Implementation

# **Reviewing Stakeholder Forums for ENC Development and Implementation**

- This session is the first step in considering and implementing changes to the current arrangements for stakeholder engagement.
- This is an opportunity to reflect, seek to address some of the issues with the current arrangements and ensure we have the right structures in place going forward.

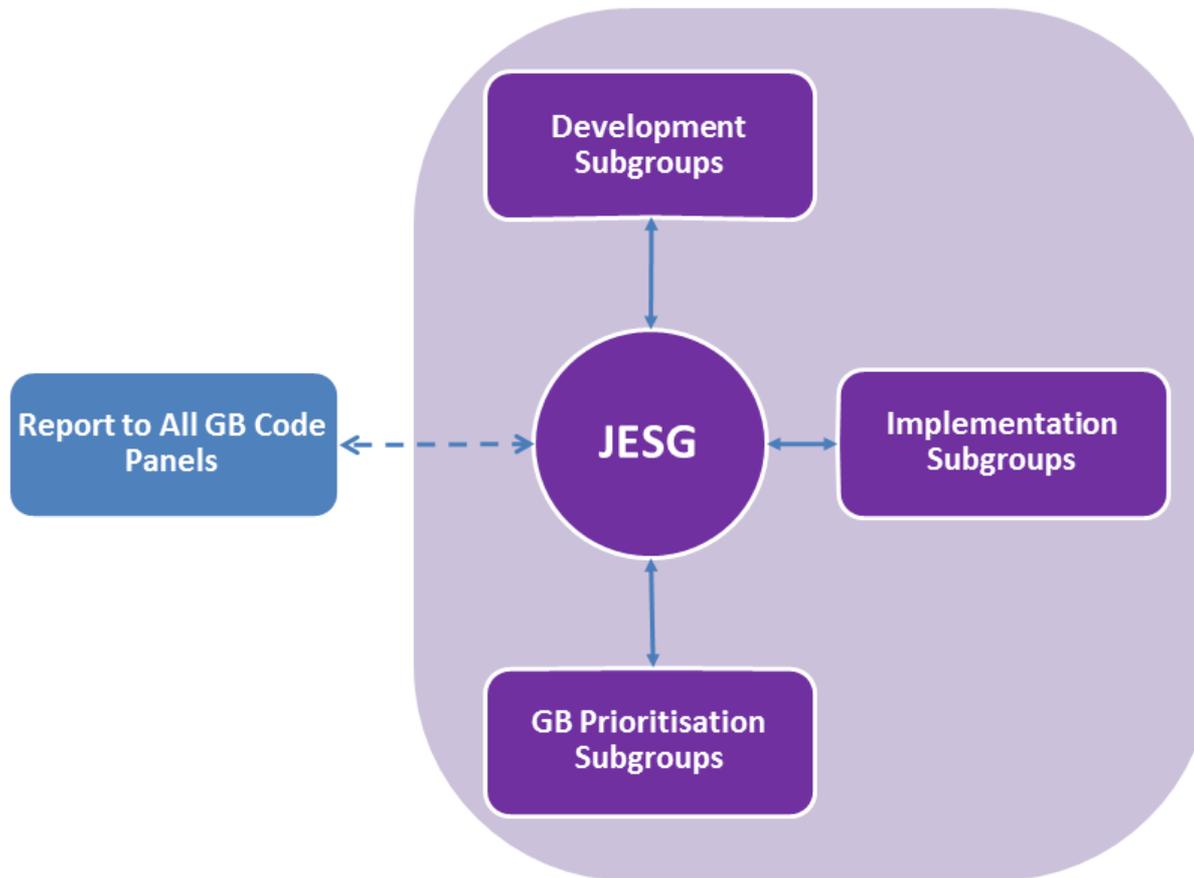
# Current Stakeholder Engagement Structures



## Some issues with the current structure

- Confusion and duplication between the roles of the JESG and DECC-Ofgem Stakeholder Group;
- No “single touch point” for GB Stakeholders on European issues;
- Aligning the work of ECCAF given the new role of the DECC-Ofgem Steering Group and Implementation Working Groups;
- Need to ensure that all GB Stakeholders have the opportunity to engage in all aspects of the European Network Code process as appropriate,
- Are we capturing the broad range of GB Stakeholders impacted by EU Codes?

- **Merge stakeholder functions of *JESG*, *DECC-Ofgem Stakeholder Group* and *ECCAF* in to one forum with subgroups**
- The single group could maintain the best features of the existing groups, but provide a single consistent stakeholder engagement experience



<b>JESG</b>	<b>Monthly one-stop shop meetings on all aspects of European energy policy, including ENCs in development, approval and implementation, and other policies such as TYNDP, PCIs etc.</b>
<b>Development Subgroups</b>	<b>“Article-by-Article” review of European Network Codes in development, to support GB Stakeholders in responding to European consultations.</b>
<b>GB Prioritisation Subgroups</b>	<b>Session to identify GB stakeholder issues with European Network Codes, to inform Ofgem and DECC for the ACER review and <u>comitology</u> processes respectively.</b>
<b>Implementation Subgroups</b>	<b>Various stakeholder forums to cover GB implementation, including seeking stakeholder views and code mapping, and facilitating discussions about consultations.</b>

- Do you support moving to one forum (with subgroups) for Stakeholder Engagement?
- How can we best ensure attendance from across the industry?
- What else would you like considered in further defining the proposal?

January 2015	<ul style="list-style-type: none"> <li>• Preparation of paper detailing proposal.</li> <li>• Circulation of paper to GB Stakeholder with draft terms of reference, and invitation to comment via email.</li> </ul>
February 2015	<ul style="list-style-type: none"> <li>• Discussion at GB Code Panels, DECC-Ofgem Stakeholder Group and ECCAF.</li> <li>• Deadline for comments on the paper and draft terms of reference.</li> <li>• Stakeholder feedback considered and proposed terms of reference issued (along with supporting paper).</li> </ul>
March 2015	<ul style="list-style-type: none"> <li>• GB Code Panels asked to agree to the merger of JESG and ECCAF in to a single group, which is not a standing group of the Panels.</li> <li>• First Joint European Stakeholder Group Meeting.</li> <li>• Agreement of terms of reference by membership.</li> <li>• Relaunch website and weekly update emails.</li> </ul>

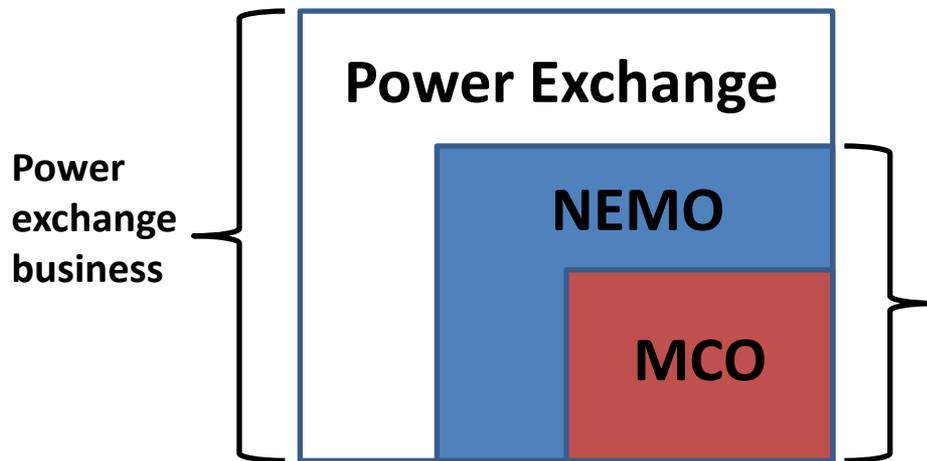
## Ofgem contact details

[natasha.z.smith@Ofgem.gov.uk](mailto:natasha.z.smith@Ofgem.gov.uk)

[mark.copley@ofgem.gov.uk](mailto:mark.copley@ofgem.gov.uk)

- **CACM requirements for Nominated Electricity Market Operators (NEMOs)**

- NEMOs act as market operators to perform single day-ahead and intraday coupling, in cooperation with TSOs and other NEMOs.
- Receive orders from market participants, have overall responsibility for operating coupling to match and allocate orders (MCO function), and clear and settle contracts.
- **Member State must ensure at least one NEMO is designated in each of its bidding zones, and at least one by 4 months after entry into force.**
- Regulatory authorities will designate, monitor and enforce NEMO compliance.



- NEMOs perform sub-category of power exchange functions.
- Only entities designated as NEMOs can perform these functions.
- Regulators will monitor and enforce NEMO compliance with the CACM Regulation.

# Annex 2 - NEMO designation: December Open Letter and Consultation

## 1. Consulting on our proposed application process for NEMO designation.

- Initial process:
  - **27 February 2015** – open letter inviting applications
  - We will accept applications until **30 March 2015**
  - **1 April 2015** – we will assess applications against CACM designation criteria
  - **1 June 2015** – we will consult for 28 days on a draft decision
  - We will make a final decision **on/before the NEMO designation deadline**
- After initial process we will accept applications on an ongoing basis, assessing against the criteria and consulting on a draft decision before making a final decision.

## 2. Consulting on our proposed application of designation criteria.

- Designation requires assessing if applicants meet designation criteria set out in the CACM Regulation. To provide greater clarity on our approach, we included the criteria with a description of how we currently understand and propose to apply them in the annex of the Open Letter.

**We welcome your views on our proposals by Friday 30 January 2015. Please send any views to [Matthew.Ramsden@ofgem.gov.uk](mailto:Matthew.Ramsden@ofgem.gov.uk).**

## 6. ACER – ENTSO-E Consultation on Stakeholder Engagement



Natasha Smith  
Ofgem

# European Stakeholder Engagement

January 2015 JESG meeting

20/01/15

- 1) The ENC Cycle**
- 2) Stakeholder committees**
- 3) Implementation Monitoring**
- 4) Amendment processes**
- 5) GB engagement**



**Success is not getting 11 new laws in place. It is those laws delivering customer benefits and existing in 10-15 years time.**

Stakeholder role in implementation	Implementation monitoring	Amendments
<ul style="list-style-type: none"> <li>• ACER – ENTSO-e consultation.</li> <li>• Consultation highlights principles with details to be developed.</li> <li>• Proposals for 3 committees.</li> <li>• 2 chaired by ENTSO-E, 1 ACER</li> <li>• GB stakeholder input is vital to represent GB views.</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Effect</i> : does the ENC / Guideline work as it should?</li> <li>• Compliance: are Member States compliant?</li> <li>• Proposals being developed by ACER/ENTSO-E</li> </ul>	<ul style="list-style-type: none"> <li>• ACER put forward a process.</li> <li>• Proposals collected and codes changed every 5 years.</li> <li>• A route for urgent proposals exists</li> <li>• But only comitology can change codes</li> </ul>

Implementation will involve changes and challenges in GB.

But there is a sizeable European dimension, particularly to monitoring and amending codes

Forums for engagement are being created now. But it seems unlikely these will be country or stakeholder specific.

Hence as GB we need to work out how best to make our voice heard

And, perhaps, to think more about what we want and shape structures to that??

## Ofgem contact details

[natasha.z.smith@Ofgem.gov.uk](mailto:natasha.z.smith@Ofgem.gov.uk)

## 7. CACM Update



Elena Mylona  
DECC

## 8. ER Network Code: ENTSO-E Stakeholder Responses



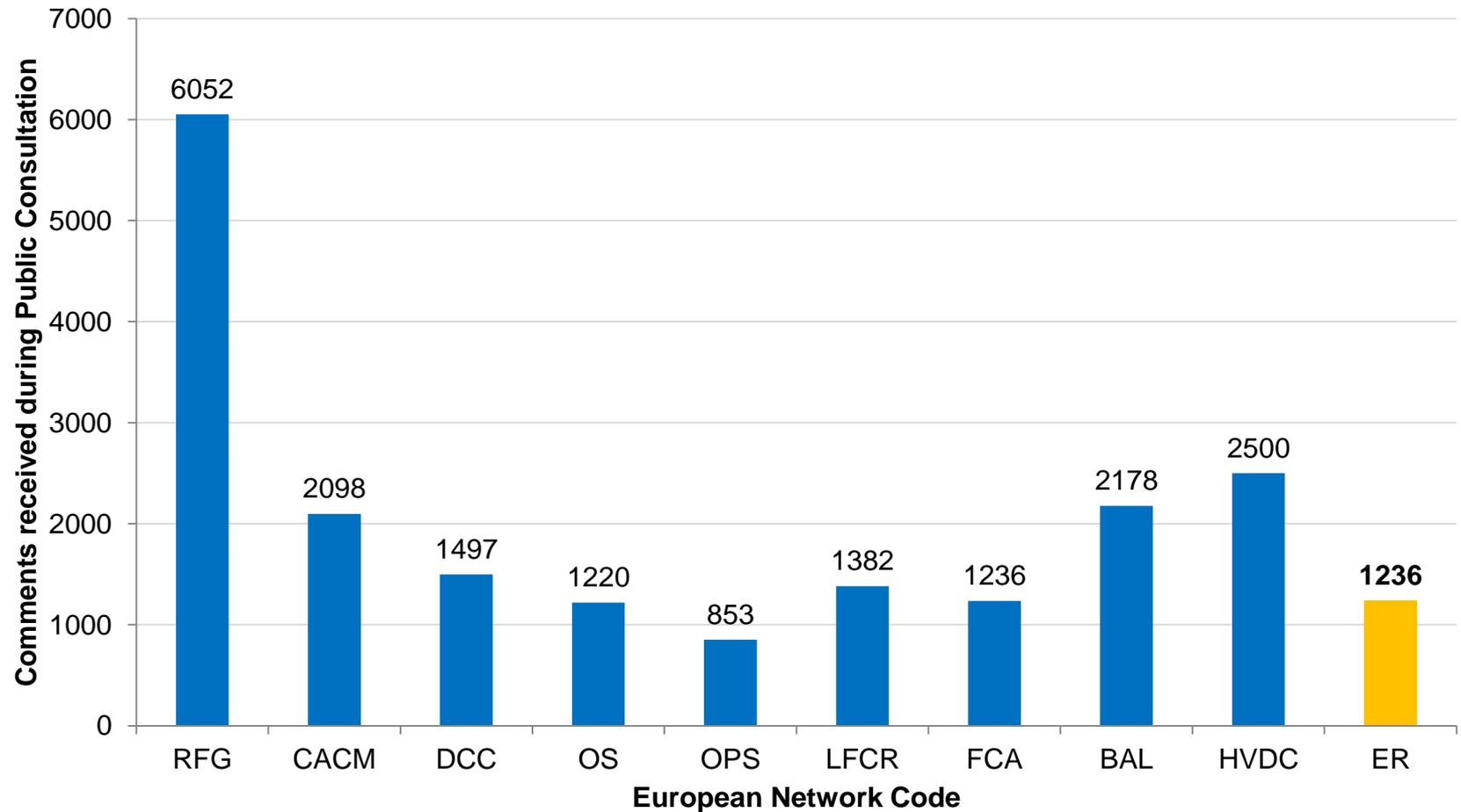
Bec Thornton  
NGET

## Overview of Comments

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- Response to ENTSO-E consultation on the Emergency & Restoration network code:
  - 1236 comments
  - From 33 organizations
  - Comments received on all but one Article of the Network code
- **Note:** Article 13 (*automatic low frequency control scheme*) and Chapter 4 (*market interaction*) now subject to further consultation based on new version issued in December 2014.
  - The comments from this mini-consultation are not included in these slides.

# Number of Responses



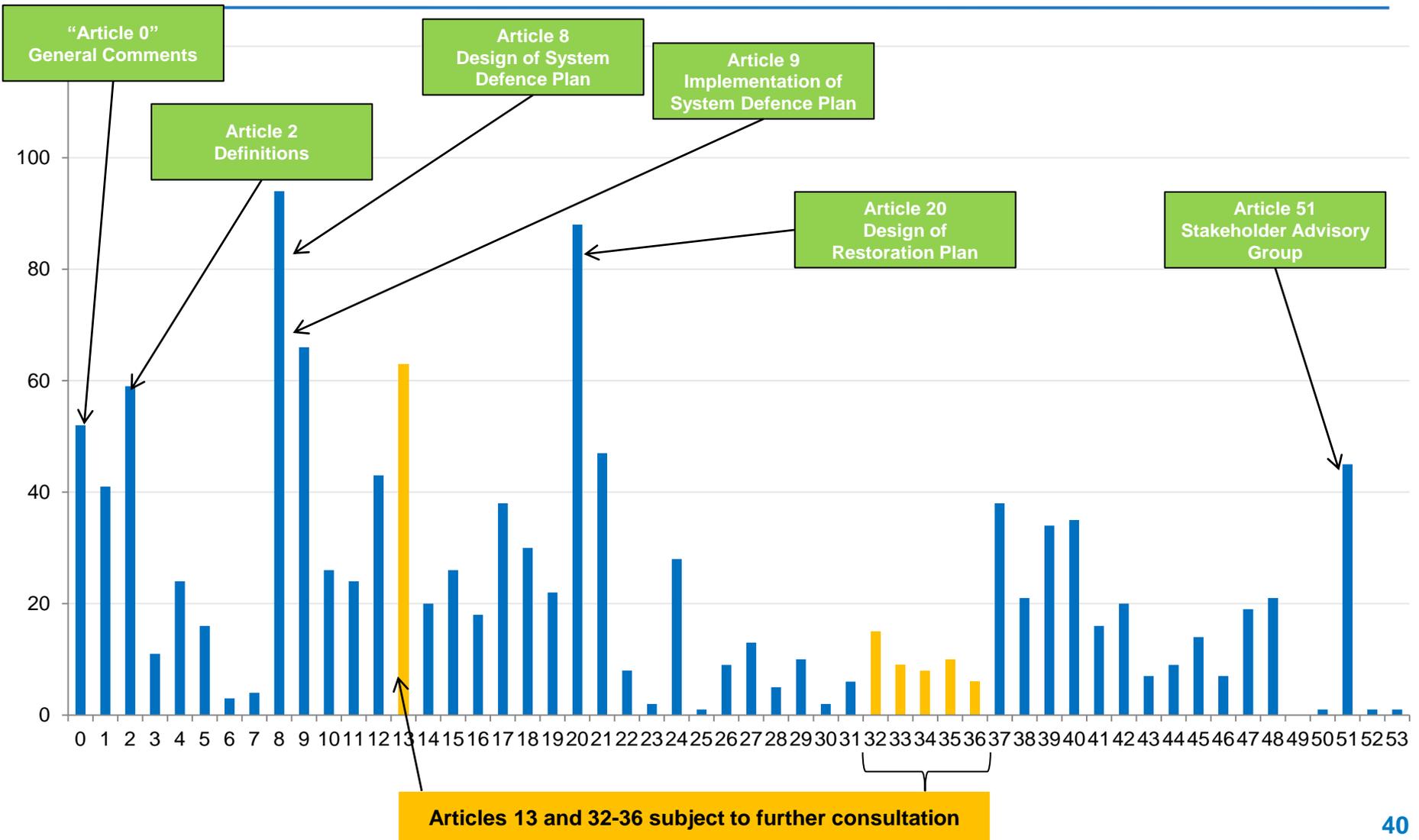
# 16% of all comments from GB

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**Note:** Other GB comments may have been made through trade associations or parents companies listed in another country, so this number may not reflect all GB comments.

# Responses by Article, and 'hot articles'



# ENTSO-E has categorised the comments

(bracket are number of comments in this topic, article can be in more than one category)

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- Consistency with other Network Codes (117)
- Providing more technical detail / precision (114)
- TSO / DSO Interaction i/c for small generators (113)
- Definition and use of Significant Grid User (106)
- Editorial Changes (95)
- Need for Consultation (67)
- Compliance Process and requirements (58)
- External Technical Consideration (58)
- National Scrutiny (55)
- Consistency within the document (52)
- Need for further Consultation (44)
- Stakeholder Group (44)
- Scope (33)

## Further Consultation

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- **Further consultation** on revised **Article 13** (automatic low Frequency control schemes), and **Chapter 4** (market interactions) just completed (14 January 2015)
- Key points from JESG technical workshop (9/1/15)
  - Re Article 13, GB-specific value for “Demand disconnection ending mandatory level” in Table 1 is set at 50% whereas this is 60% (for E&W at least) in the Grid Code
  - Re Ch 4, NCER possibly not ideal code in which to cover Market Suspension and CACM / NCEB potentially more relevant (NB – interacts with proposed ENTSO-E stakeholder engagement approach)
  - Re Ch 4, there is too much flexibility under the code for TSOs around when the market would be suspended and attendees would prefer something similar to GB arrangements under P276 (e.g. automatic limits)

## Next Steps

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- From ENTSO-E...
  - **ENTSO-E is holding a fourth and last Public Stakeholder Workshop on the Network Code on Emergency and Restoration on 12 February 2015, from 12:00 to 17:00, in Brussels**
  - ENTSO-E will release a new draft of the code on 29 January 2015
  - The aim of the public workshop on 12 February 2015 is to present how stakeholders' comments were taken into account in the code

## 9. Update from Ofgem Balancing Network Code 'Call for Comments' Meeting



Grendon Thompson  
Ofgem

## 10. Forthcoming Events



Tom Selby  
JESG Technical Secretary

## Forthcoming Events – ENTSO-E

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- ENTSO-E ER Network Code Stakeholder Workshop
  - Thursday 12 February 12:00 – 17:00, ENTSO-E, Brussels
  - *ENTSO-E will release a new draft of the Code on 29 January 2015*
- ENTSO-E Transparency Platform Launch Event
  - Wednesday 28 January, 16:30 – 18:00, ENTSO-E, Brussels

## Forthcoming Events – ACER

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- ACER – ENTSO-E Joint Consultation on NC Implementation Stakeholder Engagement
  - Closes 23:00 GMT, 22 January 2015

<http://www.acer.europa.eu/Events/>

## Forthcoming Events - JESG

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- Next Scheduled JESG: Thursday 19 February
- New Technical Secretary: Sara-Lee Kenney

[Europeancodes.electricity@nationalgrid.com](mailto:Europeancodes.electricity@nationalgrid.com)

<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Standing-groups/Joint-European-standing-group/>

# JESG Dates 2015

Date	Details
Tuesday 20 January	
Thursday 19 February	<i>DECC/Ofgem Stakeholder Group</i>
Tuesday 17 March	
Tuesday 28 April	<i>DECC/Ofgem Stakeholder Group</i>
Thursday 21 May	
Tuesday 16 June	
Wednesday 29 July	<i>DECC/Ofgem Stakeholder Group</i>
Wednesday 26 August	<i>Edinburgh JESG</i>
Tuesday 29 September	
Tuesday 20 October	<i>DECC/Ofgem Stakeholder Group</i>
Tuesday 17 November	
Wednesday 2 December	

# 11. Review of Stakeholder Representation



Barbara Vest  
JESG Independent Chair

## 12. Any Other Business



Barbara Vest  
JESG Independent Chair

# Lunch



# Afternoon Session



Balancing Stakeholder Focus Group