

Joint European Stakeholder Group



Tuesday 12 December 2017
Meeting 27

London

Agenda

ID	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 -10:05
2.	Review of Actions log	Andrew Hemus (JESG Technical Secretary)	10:05 -10:15
3.	National Grid Update: <ul style="list-style-type: none">• CACM Update on countertrading methodology consultation• SOGL Update on LFC block structure consultation	Fergus Healy (National Grid)	10:15 - 10:35
4.	Ofgem Update: <ul style="list-style-type: none">• ACER decision on harmonised max/min prices	Thomas Jones (Ofgem)	10:35 -10:55
5.	XBID Project Update:	Mark Pickles (National Grid)	10:55 -11:25
6.	Future Meeting Dates & Agenda Items	Andrew Hemus (JESG Technical Secretary)	11:25 -11:35
7.	Stakeholder Representation	Chair	11:35 -11:45
8.	Any Other Business	All	11:45 -12:00

1. Welcome & Introductions

Barbara Vest

Independent Chair

2. Actions log

Andrew Hemus

JESG Technical Secretary

JESG Standing items

ID	Topic	Lead Party
S1	Continue to review the membership of the JESG and engage additional industry parties where appropriate.	JESG Chair
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 / BEIS
S3	Share any intelligence about how other member states are approaching demonstrating compliance through information gained from other government departments, regulators or parent companies	BEIS / Ofgem / Industry parties with European parent companies
S4	Stakeholders are requested to provide specific examples of inconsistent or problematic definitions in the Network Codes to Ofgem (Thomas.Jones@ofgem.gov.uk).	All Stakeholders

JESG Open Actions

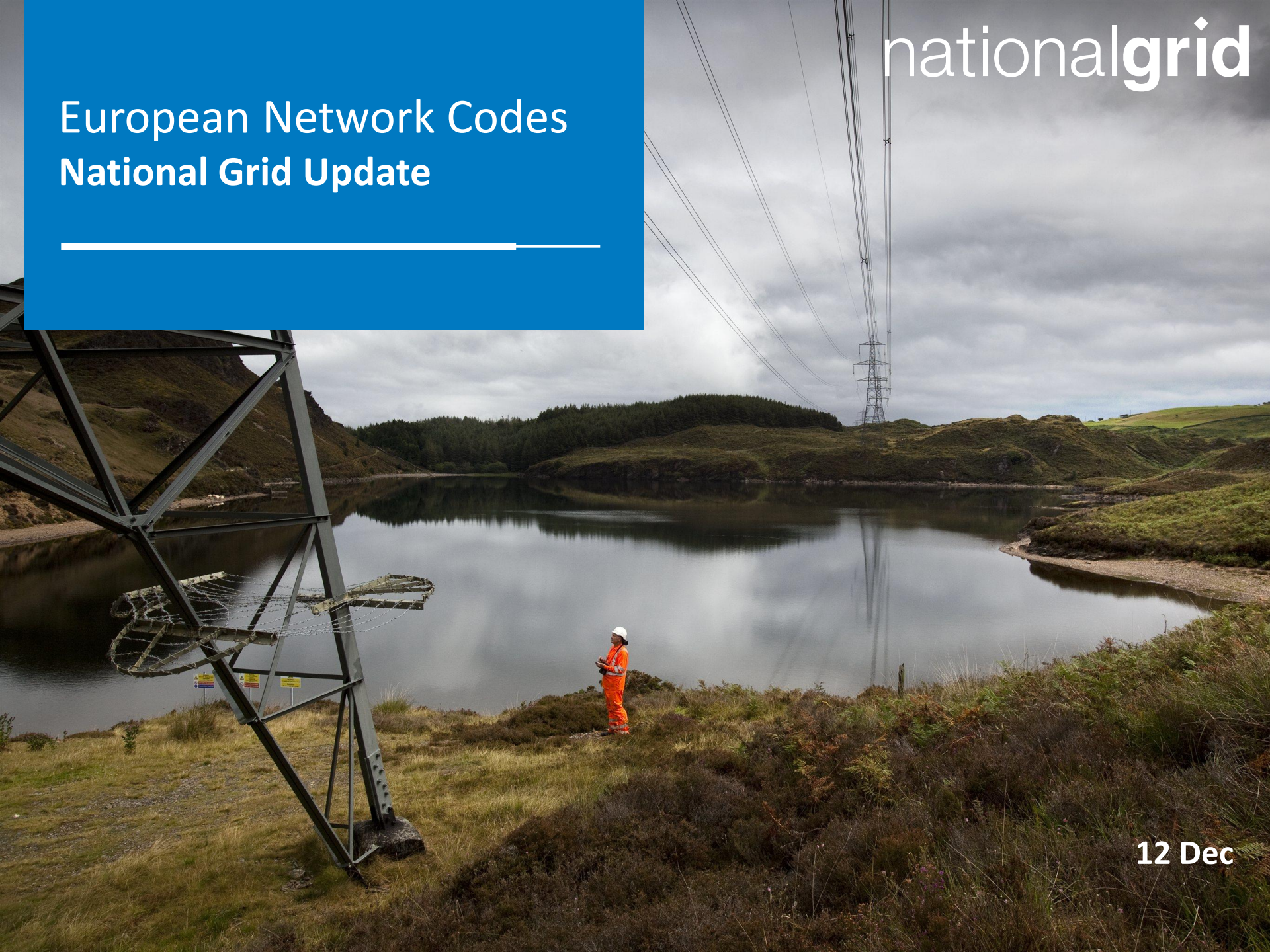
ID	Topic	Lead Party	Status	Update
68	Andrew Hemus (AH) to facilitate with EirGrid to attend a future meeting to provide an update on ISEM impact on interconnectors.	EirGrid	Open	Scheduled to be delivered in February.
71	JB to review the discharging of obligations in Article 56 and check how this aligns with existing Grid Code requirement and report back at a future JESG	James Bradley, National Grid	Open	We have reviewed the System Operation Guideline (SOGL) Article 56 and believe SOGL Article 56 is entirely consistent with existing Grid Code requirements as set out in OC5 and OC7. Therefore we do not believe a Grid Code modification is required to fulfil the SO GL Article 56 obligations.
75	Did you know section in the Newsletter add link to ENTSO-E website	AH, Code Administrator	Open	
76	Ensure link to where documentation can be found for NEMO proposal is provided to JESG technical secretary so it can be included in the next JESG newsletter.	Thomas Jones, Ofgem	Open	
77	Did you know section in the Newsletter add link to National Grid fact sheets.	AH, Code Administrator	Open	
78	AH to subscribe to Info Flash (ENTSO-E) and cascade information via the JESG newsletter.	AH, Code Administrator	Open	
79	AH to provide JESG newsletter engagement metrics for JESG December.	AH, Code Administrator	Open	

3. European Network Codes Update

Fergus Healy
National Grid

European Network Codes National Grid Update

nationalgrid



12 Dec

European Network Codes

National Grid Update – December 17

- CACM Coordinated Re-dispatching & Countertrading methodology;
- SOGL proposal for the determination of the LFC blocks in the synchronous area of Great Britain;

CACM Coordinated Re-dispatching & Countertrading methodology

nationalgrid



12 Dec

CACM Countertrading Methodology

- Overview of Methodology
- Main Principles
- Timeline
- Feedback and questions

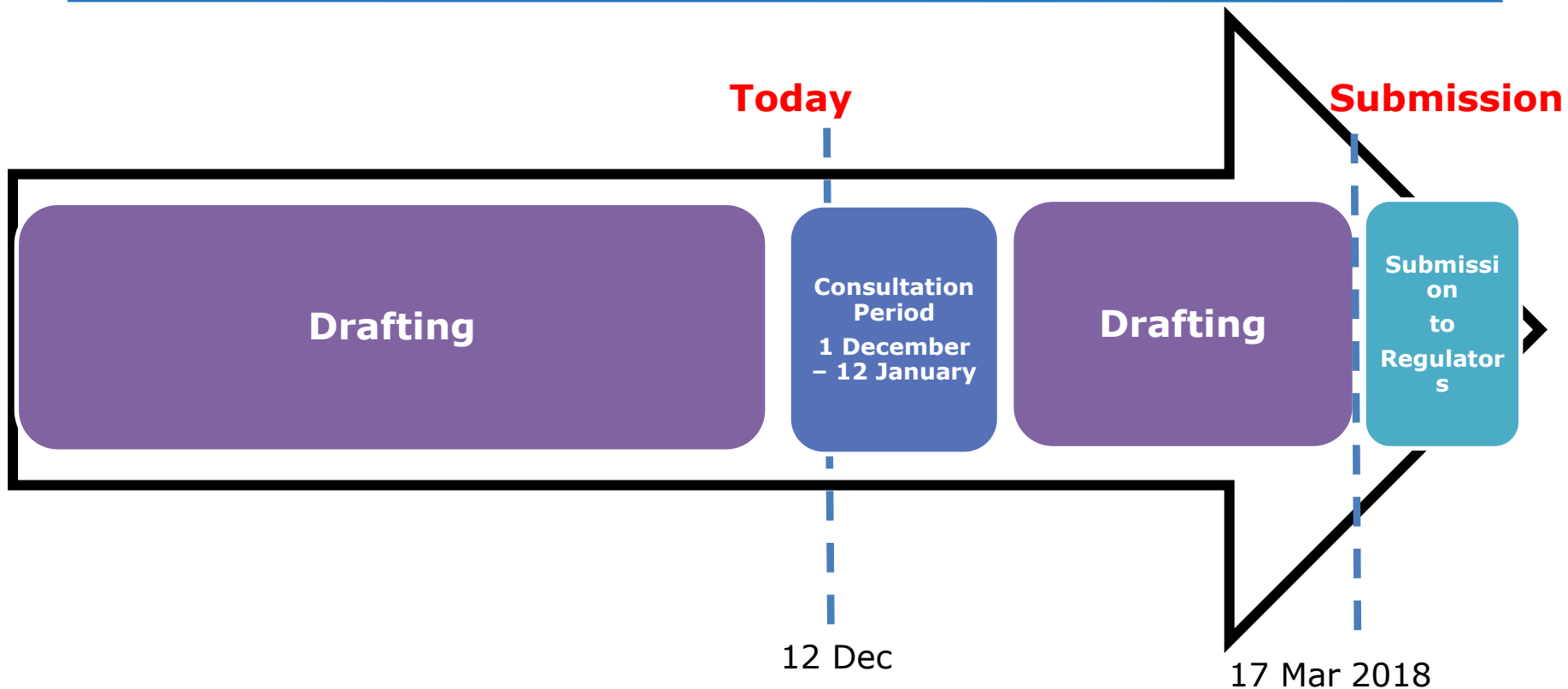
Overview of Methodology

Establishes a common and coordinated process for the Redispatching (RD) and Countertrading (CT) by defining a set of harmonised rules for congestion management and as such serves the objective of promoting effective competition in the generation, trading and supply of electricity in accordance with Article 3(a) of the CACM Regulation.

Main Principles

- Redispatch & Countertrading (RD&CT) is performed by changing the setpoint of the interconnector
 - Resulting in an imbalance at both sides of the interconnector
 - To be resolved by activation of bids (i.e. RD&CT Actions)
- RD&CT methodology scope is limited to solving physical congestions
- Regional Security Coordinators (RSCs) have important role (coordination + propose efficient and effective RD&CT actions)
- TSOs to share non-binding information on available volumes & prices for RD&CT
- Clear link to SO GL (operational security analysis...) → **Art. 75 / 76**

Timelines



- CACM methodology required for submission to regulator 16 months after CCR decision 17th March 2018
- Consultation **open** 1st December and **close** 12 January 2018.

CACM Countertrading Consultation

Purpose of the Methodology

To establish a common and coordinated process for the Redispatching (RD) and Countertrading (CT) by defining a set of harmonised rules for congestion management and serves the objective of promoting effective competition in the generation, trading and supply of electricity in accordance with Article 3(a) of the CACM Regulation.

- Consultation is now live and will **close** 12 January 2018
- https://consultations.entsoe.eu/markets/channel-redispatchandcountertrd/consult_view/

SOGL proposal for the
determination of the LFC
blocks in the synchronous
area of Great Britain

nationalgrid



- The concepts and needs (driven by Continental Europe are best explained in the original LFC&R network code, supporting document) . LFC&R; OS and OP&S were all amalgamated into a single SO GL text.

CE representation of control hierarchy

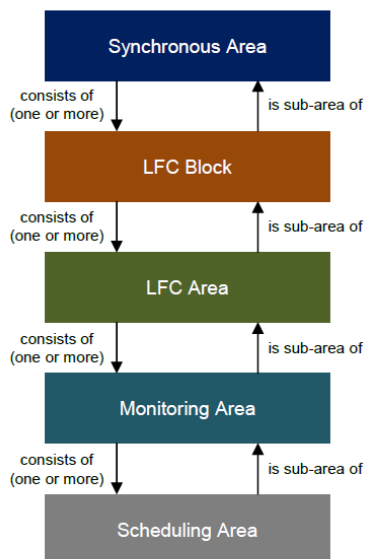


Figure 14: Types and hierarchy of geographical areas operated by TSOs

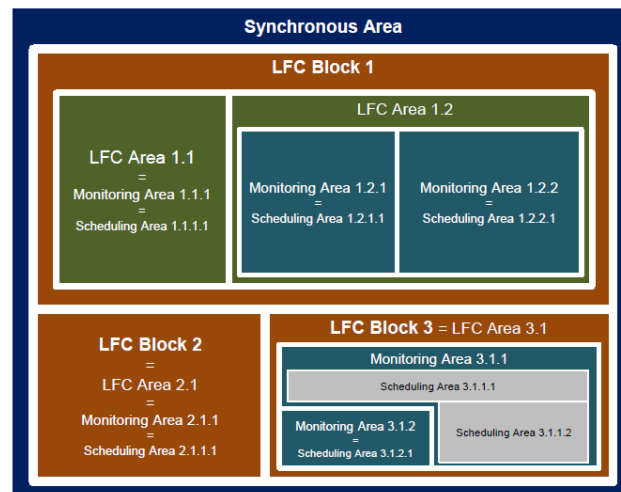
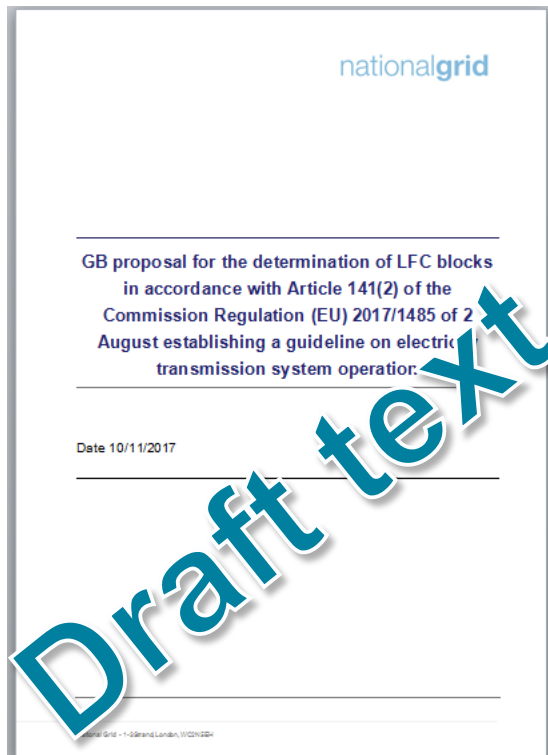


Figure 15: Fictional example for configuration of areas

The Process Responsibility Structure

– LFC Block structure in GB



Please note that CE and other Synchronous Areas will be consulting through November and December also.

Please look to the ENTSO-E website for more information.

Synchronous Area Great Britain LFC blocks, LFC areas and monitoring area

The synchronous area Great Britain shall consist of the LFC blocks, LFC areas and monitoring area set out in Table 1.

Country	TSO (full company name)	TSO (short name)	Monitoring Area	LFC AREA	LFC Block
Great Britain	National Grid Electricity Transmission plc	NGET	NGET	NGET	NGET

Table 1: List of Monitoring Areas, LFC Areas and LFC Blocks.

The proposed GB structure

The LFC Block Determination Methodology of each synchronous area (SA) assigns roles within the control hierarchy stipulated in Article 141(2) to the relevant System Operators within that SA.

The SO GL public consultation on the GB proposal for the LFC Block Determination was started on 29th November and runs until 29th December 2018 and consists of the methodology document and an explanatory document.

The methodology proposal for GB stipulates that there is [1 synchronous area : 1 Block : 1 LFC Area : 1 Monitoring Area] and assigns all SA GB system operation functions relevant to LFCR to the system operator role of National Grid. Note that other Synchronous Areas may be structured differently. The GB text does not propose any change from pre-SOGL regulated, industry role assignments, responsibilities or system operation control structure.

Please ensure that you choose the consultation relevant to the synchronous area of Great Britain and follow the on-screen instructions to retrieve the 2 documents and follow instructions on how to provide comments and feedback.

https://consultations.entsoe.eu/system-operations/lfc-blocks_gb/

All Synchronous Areas' consultations are running in parallel and can be found here: [*LFC Block Determination methodology consultations of all Synchronous Areas*](#)

The screenshot shows a web browser window with the URL https://consultations.entsoe.eu/system-operations/lfc-blocks_gb/. The page features the entsoe logo and a search bar. A large banner image shows a young girl flexing her arms in front of a green background with icons of a plug, wind turbines, and power lines. Below the banner, the title reads "Common proposal for determination of the LFC blocks in the synchronous area of Great Britain".

Overview

This consultation concerns the proposal regarding the determination of LFC blocks in Great Britain synchronous area developed in accordance with article 141(2) of Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (SO GL).

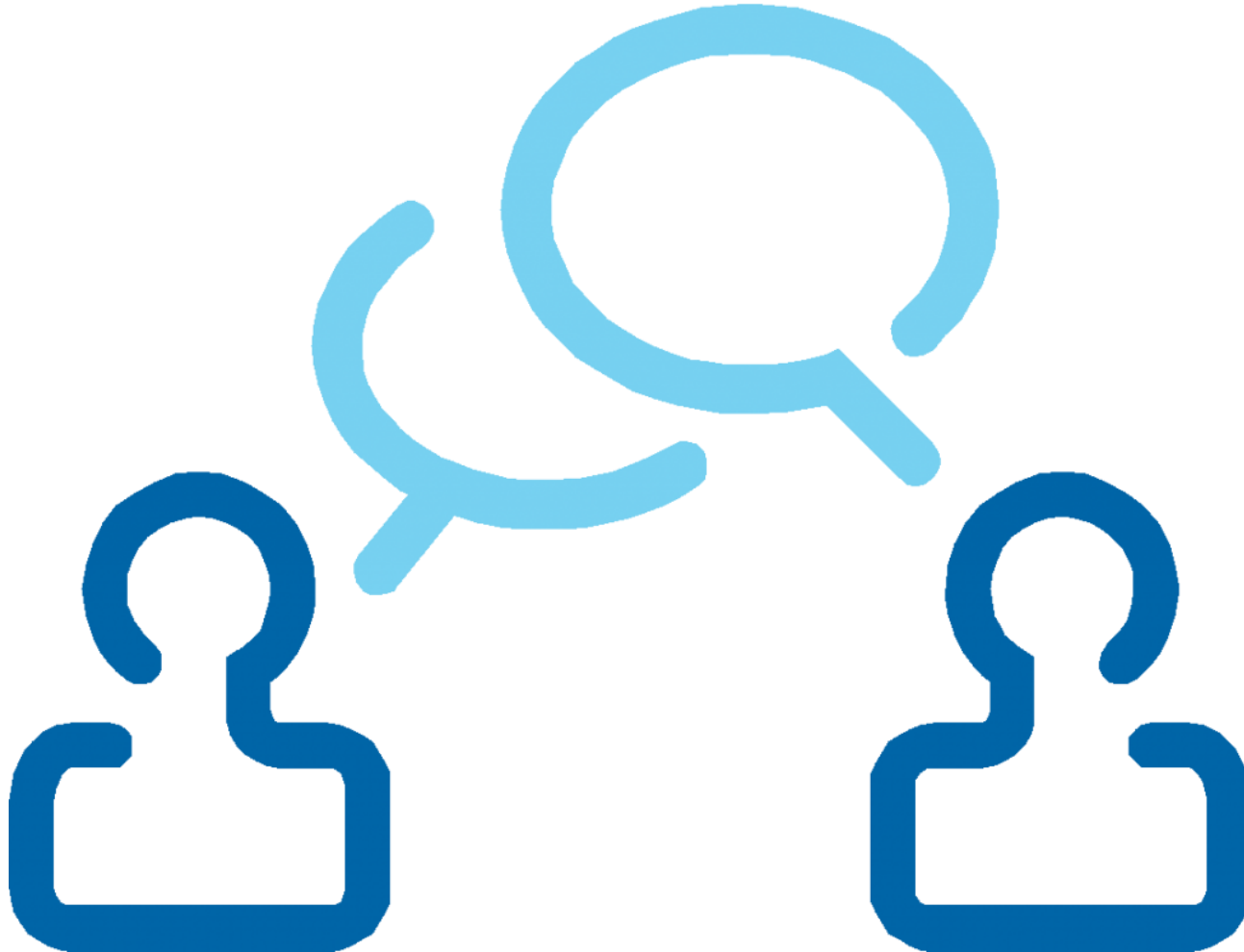
SO GL requires that all TSOs of a synchronous area shall jointly develop a common proposal regarding the determination of the LFC blocks, which shall comply with the following requirements:

- (a) a monitoring area corresponds to or is part of only one LFC area;
- (b) a LFC area corresponds to or is part of only one LFC block;

Closes 29 Dec 2017
Opened 29 Nov 2017

Contact
David Bunney
David.Bunney@nationalgrid.com

Feedback & questions



4. CACM Guideline Update

Thomas Jones
Ofgem

CACM Guideline Update

Presentation to JESG

Thomas Jones
December 2017

Thomas.Jones@ofgem.gov.uk

ofgem

ACER decisions on harmonised maximum and minimum prices for market coupling

On the 20th November the Agency for Cooperation of Energy Regulators (**ACER**) took two **decisions** on the **harmonized maximum and minimum clearing prices for single day-ahead and intraday coupling** in accordance with the EU regulation on Capacity Allocation & Congestion Management (**CACM**).

This followed Ofgem's [decision](#) in August 2017 to refer the final decisions to ACER following an assessment by all Regulatory Authorities.

Table 1: Summary of ACER decision

	Maximum price	Minimum price
Single day-ahead coupling	3000 EUR/MWh*	-500 EUR/MWh
Single intraday coupling	9999 EUR/MWh	-9999 EUR/MWh

*Includes an automatic increase mechanism, the maximum price will increase each time the day ahead clearing price exceeds 60% of the maximum price.

You can view the decisions on the ACER website:

http://www.acer.europa.eu/Official_documents/Acts_of_the_Agency/Pages/Individual-decision.aspx

13th November: Received four amended All Nominated Electricity Market Operator (NEMO) proposals

- Price coupling algorithm proposal
- Products for Day Ahead coupling
- Products for Intraday coupling
- Day ahead back-up methodology proposal

These were submitted following [Ofgem's decision](#) in August to request amendments to the proposals. You can view the All NEMO proposals on the Europex website:

<http://www.europex.org/all-nemos/nemos-submit-revised-proposals-on-methodologies-for-day-ahead-and-intraday-algorithms/>

Next steps

All Regulatory Authorities have two months from the submission of proposals to consider and come to a decision (~13 January 2018).

Welcome any views or questions sent through to Thomas.jones@ofgem.gov.uk by **Friday 15th December**

5. XBID Project Update

Mark Pickles
National Grid

Joint European Stakeholder Group

XBID Project Update

12th December 2017

Agenda

- 1. What is XBID, Benefits, Complexity & Approach**
- 2. Project Timeline**
- 3. Project Progress**
 - Achievements**
 - Challenges**
- 4. Local Implementation Projects**
- 5. ID cross-zonal gate opening and gate closure (IDCZGOT & IDCZGCT)**
- 6. Summary**

1. What is XBID?

- **Project objective:**

“Establish a common cross border implicit continuous Intraday trading solution across Europe, where all the cross border capacities are allocated...”

Quote from Request for Offer (RFO)

The system will accommodate the continuous matching of bids and orders from market participants in one bidding zone with bids and orders coming from its own bidding zone and from any other bidding zone where cross-zonal capacity is available.

- **The project delivers the XBID solution for Intraday trading – which in the first go-live is then deployed across 15 countries by the Local Implementation Projects (LIPs)**

- The ultimate goal is to roll out the solution across the whole of Europe
- Deutsche Börse (DBAG – the German Stock Exchange) is the IT solution development, hosting and maintenance provider
- The solution includes explicit access to the capacities on the French/German border (approved by the relevant regulators)

- **The IT solution consists of 3 main modules:**

- SOB – Shared Order Book
- CMM – Capacity Management Module
- SM - Shipping Module

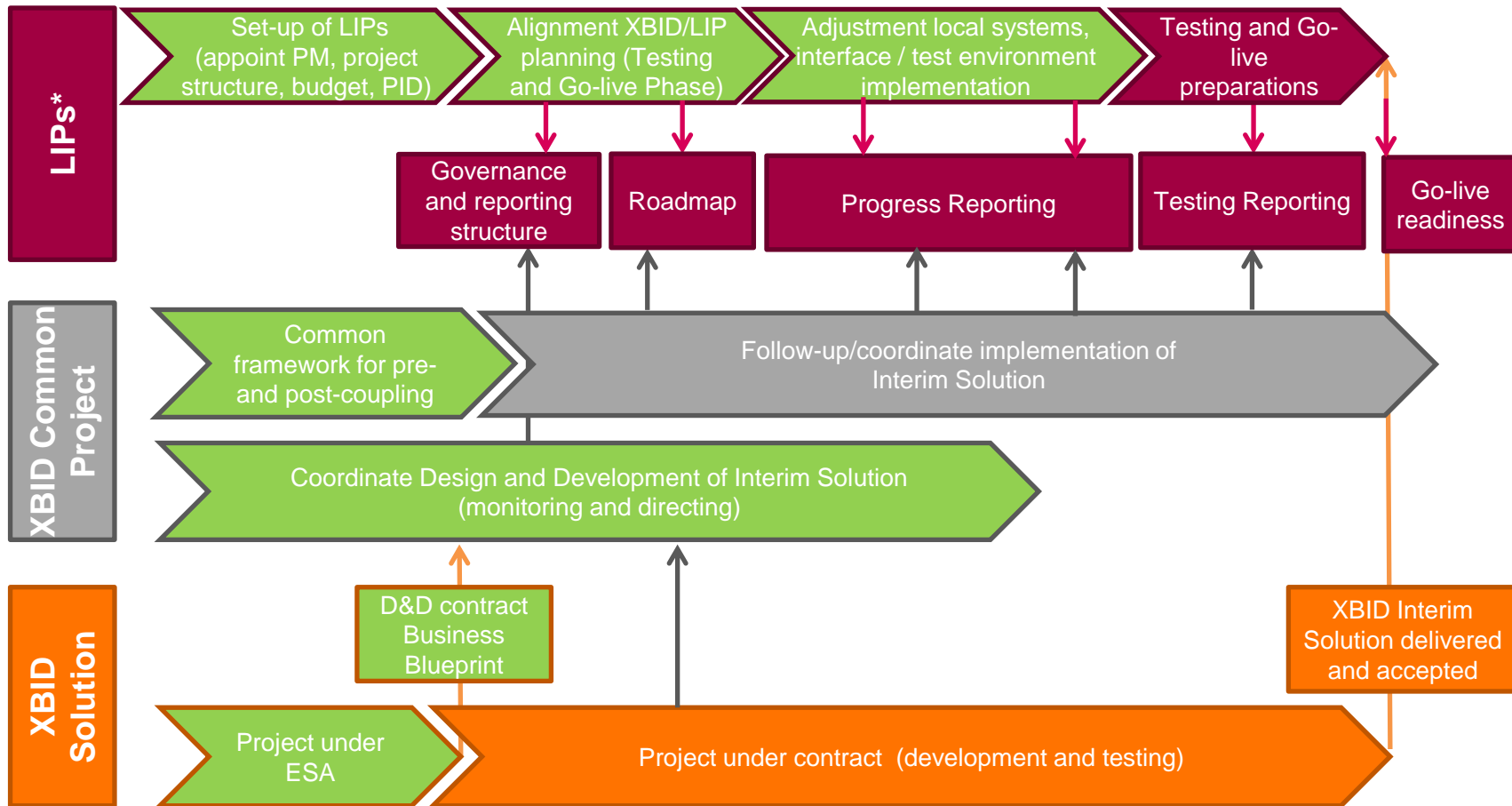
1. Benefits delivered by XBID

- Cross-border trading opportunity ‘within day’ across Europe on a harmonised platform.
- As the Intraday market develops it will enable increased optimisation of the use of generation - especially variable RES
- Will lead to welfare benefits
- Brings the whole European Intraday continuous market together and complements the existing Day Ahead market
- Capable of delivering a wide product range – 15 minutes, 30 minutes, hourly, block products etc.
- Wide range of orders types
 - Iceberg-enabled (they can be made into an iceberg)
 - Link-enabled (they can be linked)
 - Block-order-enabled (they can be combined into user defined blocks)
- Supports a wide range of contract types

1. Project Approach



Delivery of XBID involves 3 areas of distinct focus



*Existing LIPs under APCA

1. XBID complexity

Competitive Environment

- Multi-NEMOs
- Range of providers of Trading Solutions
- Equal treatment

Demanding requirements

- 200k-600k orders/day – increasing exponentially (+ robotics)
- Calculations/routing/products
- Performance and processing capability

**Multi-party
Governance
- consensus**

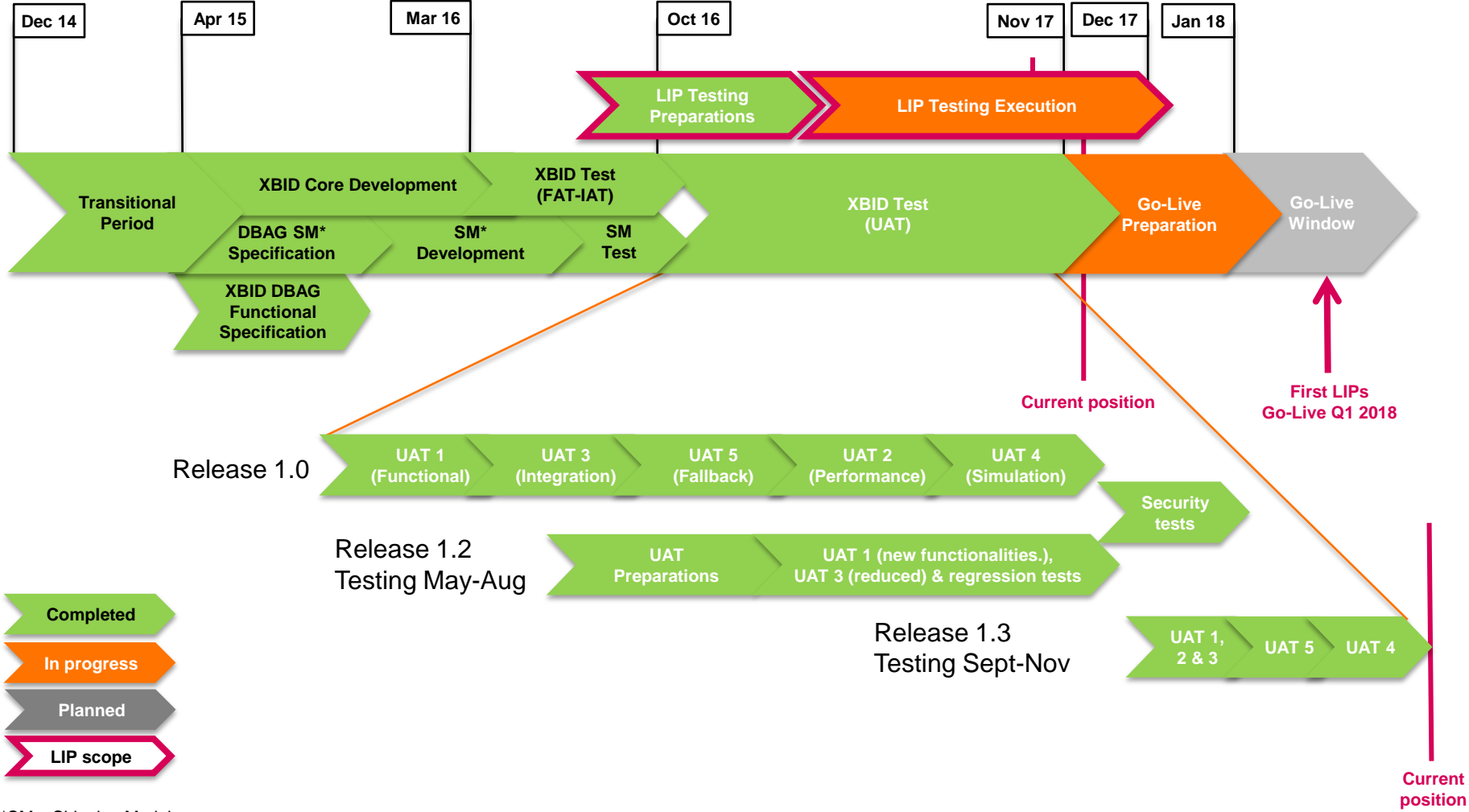
Contractual Challenges

- Supplier/multi-client
- Operational organisation amongst NEMOs and TSOs
- Liabilities

Legislative /Regulatory

- Timescales
- Cost sharing and recovery
- Future strategic roadmap
- Changing environment during project with CACM implementation

2. Project Timeline – Updated High Level Delivery Plan until Go-Live



*SM – Shipping Module



3. Project Progress – Key achievements

- **Technical**

- **User Acceptance Testing (UAT) for Release 1.3 has been completed. This represents the finalisation of UAT for the XBID solution prior to go-live and is a significant project milestone.**
- **The XBID solution has been deployed to the production environment and certification activities have commenced**
- **Daylight Saving Tests (DST) have been undertaken**
- **An independent service provider (PWC) has undertaken additional security tests on XBID which are now complete and findings have been addressed/resolved**
- **The Change Requests identified as needed, to date, from LIP testing were incorporated in Release 1.3 or work arounds have been confirmed**
- **Realistic Test Scenario 3 (RTS3) is being run with a view to ensuring that service boundaries are fit for purpose for the go-live. Preliminary results are expected just before Christmas.**

- **Operational readiness**

- **Critical business processes are finalized with DBAG**
- **Go live activities are agreed** (*assumption that all parties Go-Live at the same time*) and tracking is in place through the Go-live coordinator. The high level **Launch Plan** has been developed.

- **Contractual**

- **The IDOA has been sent to individual NRAs for their review.**
 - NRAs have verbally confirmed that the Project Parties' proposal to treat Shipping Module liabilities as common operational costs has been accepted by the NRAs for the period to the end February 2019
 - NB. NEMOs and TSOs IDOA signature is subject to NRAs' provision of open clarification points relating to cost sharing

- **Budget**

- **The project is currently within budget but is using foreseen contingencies**

- **Accession Stream**

- **2 Accession LIPs plan to be part of the first XBID go-live** (Baltics and Iberian Peninsula)
- **Several large LIPs are preparing for the 2nd wave go-live (planned for March 2019)** – many Accession Parties are involved – Poland, Czech Republic, Hungary, Romania, Croatia, Slovenia and Greece etc.

3. Project Progress – Challenges (1/2)

XBID continues to be a very complex and demanding project to deliver

- **Technical**

- **LIP Testing has proved challenging and multiple issues have been identified and managed.**
 - An additional 2 weeks of testing have been incorporated in parallel with the plan due to the time lost whilst issues have been resolved, including the central system being down. The LIP testing end date has had to be extended from 15/12/17 to 22/12/17 but remains at risk due to bugs identified.
- **Products for go-live.** XBID is being configured on the basis of 15/30/60 min products etc. as designed. Some project parties would prefer to go-live with just hourly products to ensure all performance requirements are met. However the project still intends to offer the currently available products to the market. Realistic Test Scenario 3, RTS3, is very important to provide the reassurance (or not) that a range of products can be used at go-live but the results will not be available until just before Christmas. This leaves a compressed timescale for communications with Market Parties before go-live which is a risk.

- **Contractual**

- **Finalising the Intraday Operational Agreement (IDOA).** Whilst the IDOA was ‘finalised’ for dissemination to NRAs by mid-October, **Exhibit 12 ‘Cost Sharing’ has not been finalised. The missing feedback from the NRAs prevents finalisation of IDOA which is a pre-condition for go-live.** Exhibits 3 and 16 (Change Control and Rollback Procedures) are also outstanding but nearing completion.
- **Finalizing the All Nemo Intra-Day Operational Agreement (ANIDOA) and TSO Co-operation Agreement for Single Intraday Coupling (TCID) in parallel with IDOA**
 - Progress is being made but the timeline remains challenging (including the internal approval process) as the equivalent of Exhibit 12 (Cost Sharing) needs to be incorporated in both agreements
- **Designing and agreeing the resettlement process for costs pre-financed by NWE+ TSOs for the period 14/02/17 to XBID go-live, as well as the enduring invoicing and settlement processes under CACM** (possibly involving a 3rd party to administer the resettlement processes).

3. Project Progress – Challenges (2/2)

XBID continues to be a very complex and demanding project to deliver

- **Cost issues**

- **Cost sharing and recovery.** As referenced on the previous slide **further clarifications from the NRAs are awaited** including, importantly:
 - 1) Sharing key between parties within some Member States (these have been received for some MSs)
 - 2) Decision on which Members States will contribute to the operational costs (all or only those benefiting from the operation – i.e. those operationally involved)
 - 3) Decision on how to calculate Traded Volumes of the Member States in the period until all (or at least the majority) are involved in the SIDC operation - Without this it is not possible to calculate MS 'bill'
 - 4) The NRAs guidance on the LIP cost sharing framework
 - The Project Parties wrote to the NRAs on 15/11/17 requesting the outstanding information
 - There is also an overarching question as to how to make the sharing work if not all EU NEMOs and TSOs sign the IDOA agreement. This would essentially lead to pre/re-financing by other entities.
- **Project expenditure and forecast to end March 2018 is very close to budget**
- **Cost of DBAG services particularly with regards to Change Requests (CRs)**
 - Project Parties and NRAs remain concerned about the DBAG mark-up. DBAG have indicated that subject to confirmed levels of Change Requests, they may be able to provide an, as yet unquantified, reduction.
- **Budget for 2018.** Project parties have developed both the Operations and Development budgets for 2018 based on workload/activity/change request forecasts. Some project parties are concerned about the scale of the budget and it therefore has not been able to be signed off.

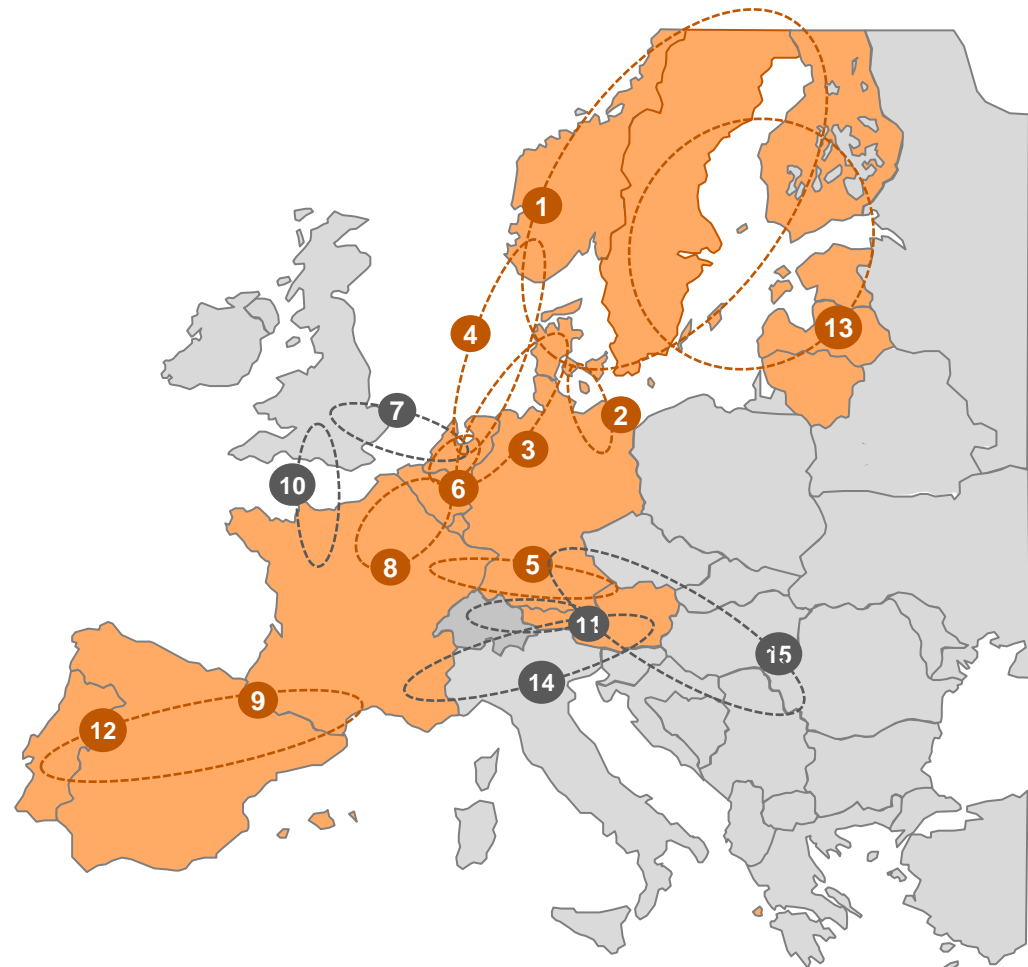
4. Overview of established LIPs

LIPs part of 1st go-live Q1/2018

LIP	Participants	
1	Nordic	Fingrid, EnDK, SvK, Statnett, Nord Pool, EPEX
2	Kontek	EnDK, 50Hz, Nord Pool, EPEX
3	DK1/DE, DE/NL	EnDK, TenneT NL& DE, Amprion, EPEX, Nord Pool
4	NorNed	Statnett, TenneT NL, EPEX, Nord Pool
5	FR/DE, DE/AT	Amprion, TransnetBW, APG, RTE, EPEX, Nord Pool, Tennet DE
6	NL/BE	Elia, TenneT NL, EPEX, Nord Pool
8	FR/BE	RTE, Elia, EPEX, Nord Pool
9 12	FR/ES& ES/PT	RTE, EPEX, OMIE, REE, REN, Nord Pool
13	Baltic	Elering, Litgrid, AST, Fingrid (Estlink) Svenska Kraftnät (NordBalt), Nord Pool

LIPs going live at a later stage

LIP	Participants	
7	BritNed	BDL, NG, TenneT NL, EPEX
10	IFA	RTE, NG, Nord Pool, EPEX
11	AT/CH	APG, Swissgrid, EPEX
14	INB	ADMIE, APG, ELES, RTE, Swissgrid, Terna, BSP, EPEX, EXAA, GME, LAGIE, Nord Pool
15	CZ-DE, CZ-AT, AT-HU, HU-RO, HU-HR, CR-HU	50Hertz, APG, CROPEX, ČEPS, EPEX SPOT, EXAA, HUPX, HOPS, MAVIR, Nord Pool, OPCOM, OTE, TenneT and Transelectrica.



NRAs have confirmed that explicit access will only be given on the DE/FR border. It will not be given on any other borders in the first go-live

5. ID cross-zonal gate opening and gate closure (IDCZGOT & IDCZGCT)

- All TSOs submitted an amended proposal to all NRAs by 28 August 2017
- This proposal followed the all NRAs' requests for amendments
- Gate opening time defined on CCR level:
 - 15.00 CET : Nordic
 - 18.00 CET : Hansa, Baltic
 - 18.30 CET : Ireland & UK
 - 22.00 CET : Core, Italy North, Greece-Italy, SWE, Channel, SEE
- However, NRAs have challenged these times and asked ACER to consult on this (we understand a series of calls with the respective areas have been scheduled/are underway)
- Harmonisation request: future default IDCZGOT to be at the earliest gate opening possible taking into account scheduling and balancing processes in relation to network and operational security
- Gate closure time shall be 60 minutes before the start of the relevant intraday market time unit, with the exemption of the bidding zone border Estonia-Finland (EE-FI) where it shall be 30 minutes

6. Summary

- **Substantive progress continues to be made** in delivering the XBID project - **the successful completion of User Acceptance Testing (UAT) for Release 1.0/1.3** and the substantial finalisation of IDOA demonstrate this.
- LIP testing is proving complex but is scheduled to be completed by the end of December.
- The first XBID LIPs are due to **go-live by the end of Q1 2018**.
- The **Accession Stream continues with all round positive collaboration** and with some Accession LIPs (Baltic and Iberian Peninsula) being part of the first go-live and a wide number of Accession Parties actively involved in the 2nd Wave LIPs (forecast for go-live March 2019)
- Extensive **Go-Live preparation** activities are underway
- **The project is very complex**. Current challenges include:
 - Completion of LIP testing (risk for completion by end December 2017)
 - Confirmation of Products for go-live/timing of RTS3 results
 - Finalization of IDOA Exhibit 12 (Cost sharing) with clarifications awaited from the NRAs
 - Agreement on the 2018 Development budget
- **We all continue to invest extensively to deliver a successful XBID Go-Live by the end of Q1 2018**

6. Future Meeting Dates & Agenda Items

Andrew Hemus

JESG Technical Secretary

Future JESG Meetings (London)

- As always registration is required and will be opened through the JESG Weekly updates.
- Stakeholders are invited to put forward agenda items for the forthcoming JESG meetings:

Date	Proposed Agenda Items
Tuesday 9 January 2018 (tbc)	
Monday 12 February 2018	I-SEM (Eirgrid), CACM NEMO Proposals and Methodologies (NEMO'S)
Tuesday 13 March 2018	
Tuesday 10 April 2018	
Tuesday 8 May 2018	
Tuesday 12 June 2018	
Tuesday 10 July 2018	
Tuesday 14 August 2018	
Tuesday 11 September 2018	
Tuesday 9 October 2018	
Tuesday 13 November 2018	
Tuesday 11 December 2018	

7. Stakeholder Representation

All

8. AOB