

Joint European Stakeholder Group



Tuesday 9 February 2021
Meeting 54

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	DC Article 18 overview	ESO	10:05 - 10:10
3.	STOR Article 18 overview	ESO	10:10 - 10:15
4.	ODFM launch plan	ESO	10:15 - 10:30
5.	Review of Actions log	Andrew Hemus (Tech Secretary)	10:30 - 10:35
6.	Future Meeting Dates & Agenda Items	Andrew Hemus (Tech Secretary)	10:35 - 10:40
7.	Stakeholder Representation	Chair	10:40 - 10:45
8.	Any Other Business	All	10:45 - 11:00

1. Welcome & Introductions

Garth Graham

Independent Chair

2. DC Article 18 overview

ESO

Dynamic Containment

Key Facts:

Service launched 1st October

Current volume – c. 350MW

Average price - £17/MW

Development process

- Early feedback from Market post launch
- 17th December launched EGBL consultation
- Changes we proposed could be split into key topic areas including:
 - Tendering
 - Performance Monitoring
 - Testing
 - General clarifications

EBGL Article 18 overview

Covers the terms and conditions being mapped against the requirements within Article 18

9 responses were received from providers covering a range of areas:

Industry Feedback

Support for the increase of the market window to D-1 15.00pm

Support for amending the penalty from weekly to daily

Support for the flexibility for tendering, being able to update price and availability per day.

Clarity on the Service Delivery and Service Parameters

Misalignment between Testing tool and Service Terms in regards to Lag tolerances

Query on the necessity of some of the tests and their alignment with Performance Monitoring

The ANM process was not transparent and more specific criteria was needed

3. STOR Article 18 overview

ESO

EBGL Article 18 overview - STOR

Covers the terms and conditions being mapped against the requirements within Article 18

9 responses were received from providers covering a range of areas

General feedback

- In general, we are supportive of the proposed changes.
- We welcome the introduction of an email of Daily award is a good idea and support that the email forms the contract. This will help administer and have audit trail for contracts.
- We welcome the concept for a curtailable bid.
- We welcome that the Reserve reform work has commenced and that NG ESO is clearly committed to its co-creation principles.
- Broadly speaking we agree with the approach NGENSO have taken.
- NGENSO has defined an approach whereby the cost of energy is decoupled from the cost of reserve, in line with EBGL Article 18.
- Many of the existing service terms remain and we welcome the commitment from NGENSO to minimise the effort on current STOR providers to re-register existing STOR units under the new terms.
- In general the participation guidance is clear and unambiguous. The document clearly articulates the service and how providers can participate in day ahead STOR.
- We support the pragmatic approach to be taken with sites under ANM (Active Network Management).
- The market has long-awaited the changes to STOR service. We agree with the positive progression of the service through the proposal under consultation.
- We agree with the approach for STOR Day Ahead procurement this will enable wider participation of demand/renewable assets.
- We feel that day-ahead procurement of Reserve is appropriate and compliant with EBGL. It should enable the value of Reserve to be driven by real scarcity events (rather than simply declared on three arbitrary dates in the year) meaning for greater competition which ultimately is beneficial to the end consumer.

Industry Feedback	NGESO Response
Publication of results by 10am D-1 is late, can they be published earlier	We will publish results as early as possible and hopefully before 8am
Pre-qualification timescales for new Providers are long	The timelines for prequalification as set out in System Operation Guideline (SOGL) are the maximum time it should take and we recognise that neither ourselves nor providers want it to take as long. We'd expect it to be much shorter.
The timeline for adding, changing or removing assets seems long	Where the change is just to the Data Template with minimal or no impact on downstream systems, then the 10 working days apply, but we would expect this to be completed more quickly and this is something that your Account Manager will discuss with you to manage expectations
Is it appropriate to maintain 3MW minimum entry threshold, could this not be reduced to 1MW	We have looked to make the minimum changes necessary to the existing service, in order to procure at day ahead. This is largely due to system constraints, but also the timescales to implement any more wholesale changes to the existing service. Any wider changes will be considered through Reserve Reform.
Concerns around auction closure at D-1 at 5am which does not align with other products and with trade markets, which operate to the EFA day	We will review 5am closing time post go-live with a detailed review to include the latest time possible that our systems need visibility of awarded contracts and then engage with industry around the timing. We will seek feedback from all providers.
Allow providers to only tender for one of the individual committed STOR windows each day, rather than having to commit for both.	The requirement to bid for all Committed Windows in a STOR Service Day is consistent with the existing Firm STOR service. Any wider changes to the STOR Committed Windows and how these can be tendered will be considered through Reserve Reform.
Concern for the need of day-ahead declaration changes on a commercial basis at weekend where many providers do not have commercial cover.	Declarations can be submitted ahead of time (either before, during or after auction/STOR contract award) and provided that the MW value in a service provider's STOR contract and availability declaration match, then no update would be required.
Clarify how availability of non-BM STOR units will be treated during periods of PAS outage	If the unit is available to provide the service and has declared itself available to NGESO via PAS or Fax, then it will be paid for the service. This applies even if PAS is unable to dispatch the service because it has suffered an outage.

Industry Feedback	NGESO Response
When the ESO publishes the buy curve, it would be helpful if all information related to the price curve, alongside any volume concerns would be published as well.	The buy curve will be published following the auction. This will contain the volume and price we are willing to pay for that volume.
We ask that the ESO's mechanism for calculating the price of alternative actions is back tested to check for accuracy for future auction rounds.	The price curve development methodology will be tested. We will ensure that at all times the services procured cost less than the alternative actions against which they are being assessed
Concerns around potential for within year window changes	NGESO will seek to publish the STOR Windows for a STOR Year on an annual basis by no later than the preceding 31 December

4. ODFM launch plan

ESO



ODFM 2021
JESG update

Overview

Limited updates being made to the service

Needed for low demand periods over the summer

Balancing Energy product – paid when dispatched and not a contract for balancing capacity

Similar to a Reserve Replacement product.(i.e TERRE)

Therefore applicable articles from CEP :

6(1) – market based and non-discriminatory

6(3) – ensure operational security

6(5) – imbalances settled at real-time value of energy

6(6) - imbalance price area shall be equal to a bidding zone

6(7) - dimensioning of reserve capacity shall be performed by TSOs

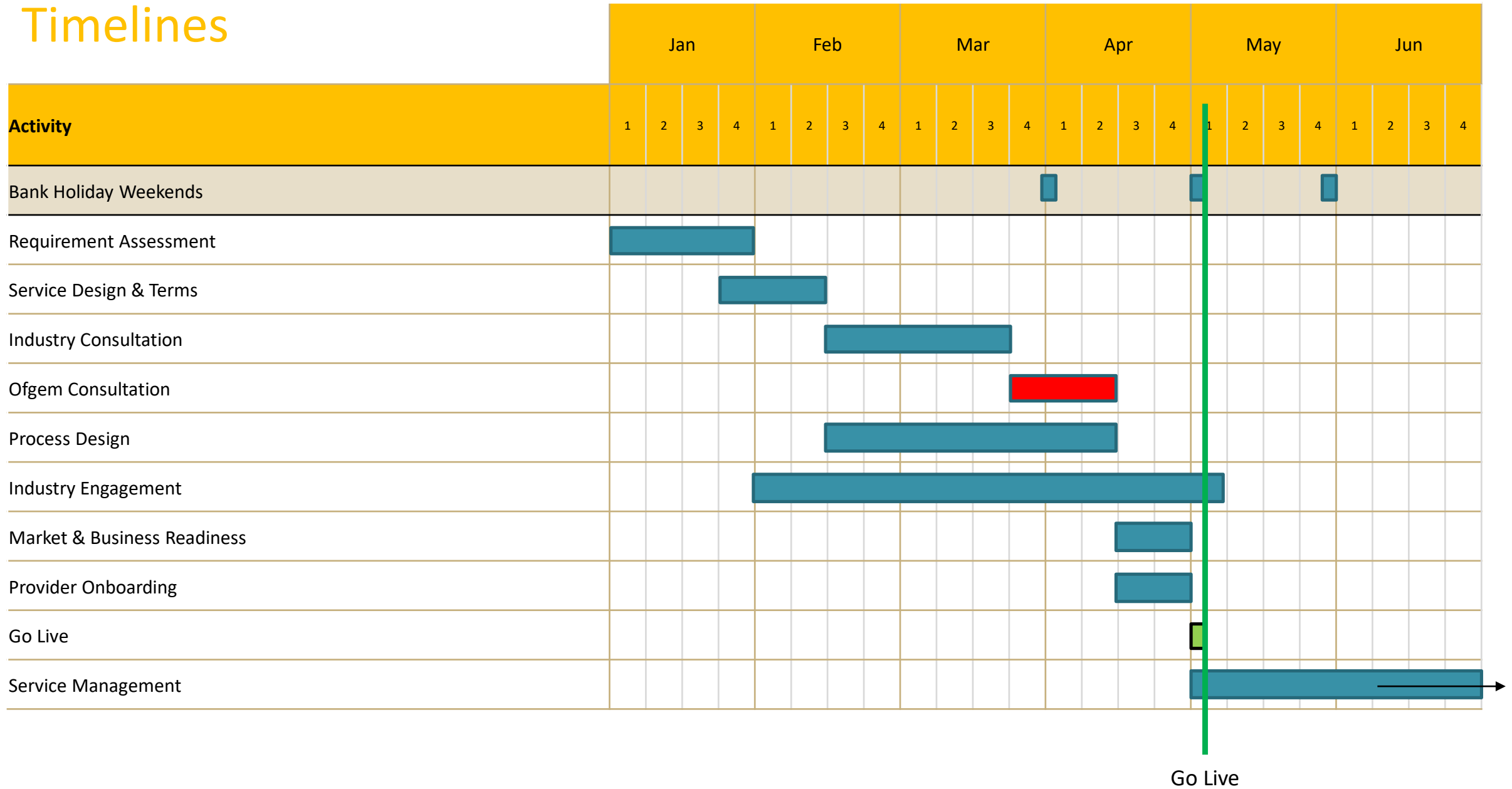
We are in discussions about the applicability of 6(4) given the changes in the TCA. This may require a derogation. TBC with OFGEM.

Will need to go through an EBGL Article 18 consultation.

Updates

	Year	Area	Reasoning	Ts and Cs	Mapping
Proposed Updates	2020	Weekly Pricing	Following feedback from industry and to ensure compliance	Y	N
	2021	Daily Pricing			
	2020	Instruction sent as close to 17:00 as possible.	Due to interconnector info being sent later following EU exit	Y	N
	2021	Instruction sent as close to 18:00 as possible.			
	2021	Premature data retrieval during provider onboarding	ABSVD data to be requested as early as possible to prevent delays in ABSVD processing	Y	N

Timelines



Go Live



5. Review of 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

JESG Open Actions

ID	Topic	Lead Party	Status	Update
117.	JESG to be updated on SQSS and Grid Code Modifications	NGESO	Open	
121	Provide an update on elements of the recast Electricity Regulation: Article 36 – Scope of TSO's Article 35 – Scope of engagement requirement	Bernie Dolan (NGESO)	Open	<p>Article 36 – Scope of TSO's</p> <p>ACER response on 6th April. No comments in regards to IU SOR and Channel CCR. There was a comment around 3rd party non EU TSOs and withdrawal agreement. Participation in the RCC will be dependent on the nature of Brexit deal. (Swiss grid were removed from the proposal due to not being EU) For info, the TSOs of the Central SOR are planning an appeal as ACER merged CORE and SWE into a single SOR.</p> <p>Article 35 – Scope of engagement requirement</p> <p>Proposal for the RCCss was submitted by TSOs to NRAs on 5th July 2020</p> <p>Dependent on EU Withdrawal Agreement.</p>

JESG Open Actions

ID	Topic	Lead Party	Status	Update
127	ENTSO(E) membership update in relation to TSO position regarding EU Exit.	Andrew Hemus (NGESO)	Open	<p>During the transition phase, the United Kingdom remains bound by all existing European regulations including obligations contained in Network Codes and the Clean Energy Package. NGESO remains a member of ENTSO-E during the transition phase (ENTSO-E has always had members from outside the EU, and the European Economic Area e.g. Norway, Switzerland, Albania, North Macedonia etc.) therefore the level of future cooperation in ENTSO-E will depend on the UK's future relationship with the European Union and as the EU-UK negotiations on reaching an Agreement become clearer, we will be able to update further.</p> <p>The UK will no longer be a member of ENTSO-E.</p>
128.	Provide an update on when the two planned derogation requests under Article 6 of the recast Electricity Regulation (i.e. Article 6.4 & Article 6.9) are to be published.	Claire Huxley (NGESO)	Open	<p>NGESO has submitted derogation requests directly to Ofgem. There is no obligation to publish the requests however NGESO will provide more details in future</p>
131.	GB Interconnectors Capacity Calculation Methodology (NTC) Wider Policy Queries – 4) Better understanding on the potential impact on BSUoS and wider impacts on the wholesale market.	Bernie Dolan (NGESO)	Open	

JESG Open Actions

ID	Topic	Lead Party	Status	Update
132.	Update of the Grid Code changes for ramping as part of SOGL A118/119	Bernie Dolan (NGESO)	Open	

6. Future Meeting Dates & Agenda Items

Andrew Hemus
JESG Technical Secretary

Future JESG Meetings

- 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 March	
Tuesday 13 April	
Tuesday 11 May	

7. Stakeholder Representation

All

8. AOB