

Joint European Stakeholder Group



Tuesday 9 March 2021
Meeting 55

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	Development of GB/ EU cooperation	Tom Ireland (NGESO)	10:05 - 10:15
3.	Progressing New trading arrangements	Mark Duffield (NGV)	10:15 - 10:25
4.	Update on ACER	Catherine Contiguglia (Ofgem)	10:25 - 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. Development of GB/ EU cooperation

Tom Ireland, NGENSO

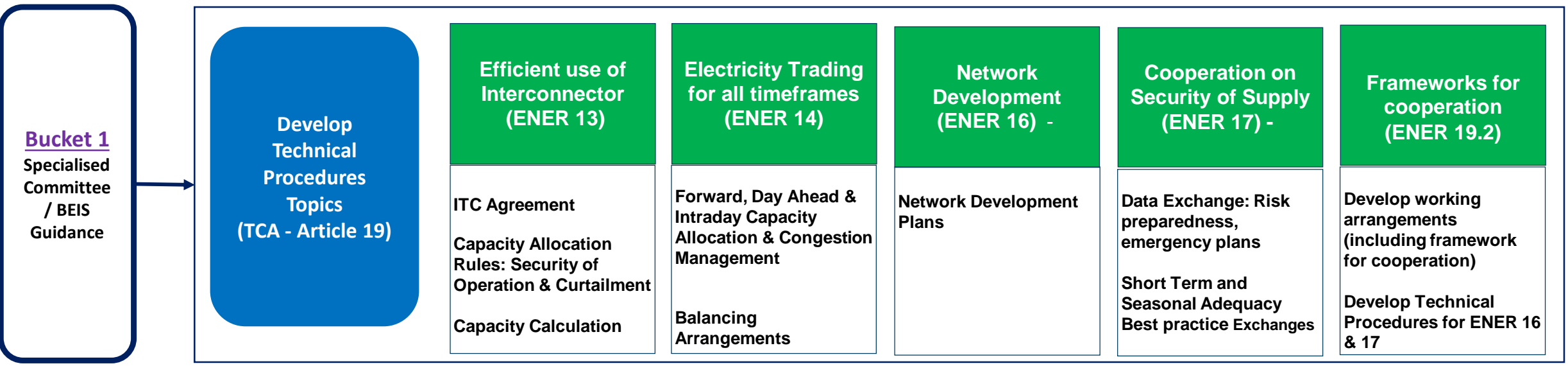
UK TSO Coordination

Update relating to cooperation/ MoU with ENTSO-E

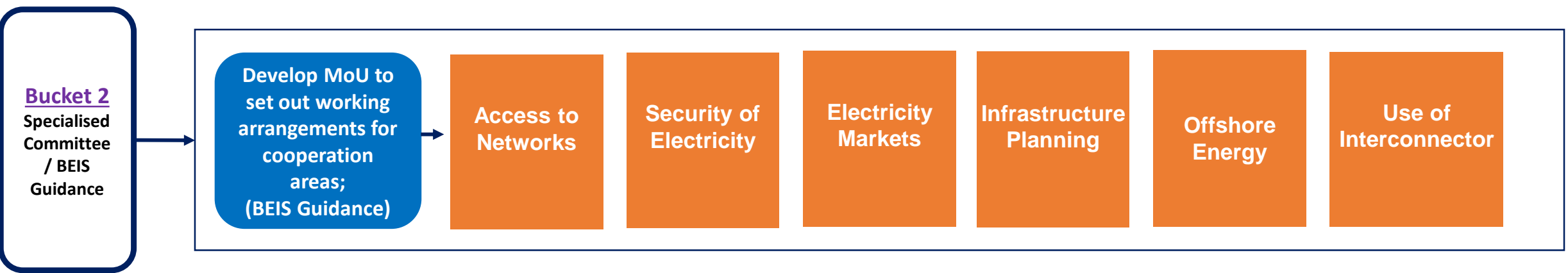
JESG – 09 March 2021



Technical Procedures and Cooperation Framework



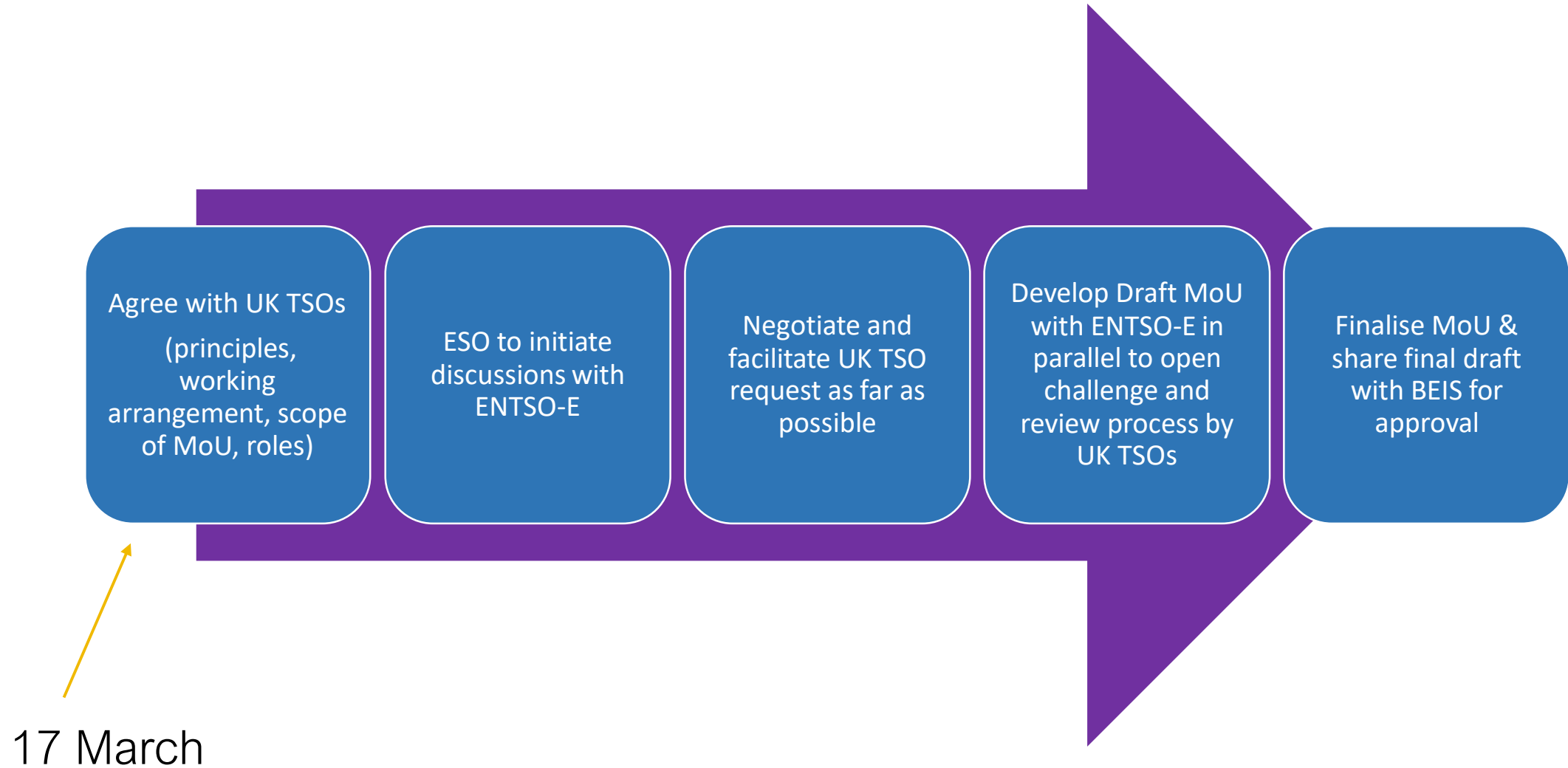
How do we manage separate but interdependent processes?



MoU Deliverables & Key Principles


Focus Areas	What do we need to deliver now?	What are the key principles?
MoU & Cooperation Framework	<p>An MoU to set out efficient and inclusive working arrangements (including framework for cooperation)</p> <p>Submit the draft MoU for opinions/approval</p>	<ul style="list-style-type: none">• Framework for cooperation shall not involve, or confer a status comparable to, membership of ENTSO-E by UK TSOs• UK TSOs could be invited on an ad-hoc basis for meetings at ENTSO-E and vice versa and those conditions should be set in MoU• Set of relevant UK TSOs is likely to be different for the different cooperation areas• Areas of cooperation are not limited to areas specified in TCA

High level process & timelines for MoU development



3. Progressing New trading arrangements

Mark Duffield, NGV



EU-UK Trade and Cooperation Agreement:
New Day Ahead Trading Arrangements

EU-UK Trade and Cooperation Agreement - Energy

Trade and Cooperation Agreement

Energy

Other Areas

Electricity Trading over Interconnectors

Regulation Fundamentals

- No Discrimination
- No Transmission Charges

New Trade Arrangements

- TSOs to develop
- Day Ahead to apply from Apr 2022

TSO and Regulatory Cooperation

TSOs

- Replace ENTSO's
- Security of Supply

Regulators

- Replace ACER
- Market Transparency (REMIT)

North Sea Grid Cooperation

- Restore North Sea Energy Cooperation Group
- Multipurpose projects
- Maritime planning
- Support framework and finance

- Tariff & Quota Free Trade in Goods
- Transport
- Fisheries
- Union Programmes
- Social Security
- Law enforcement & Judicial cooperation
- Movement of People

New EU-UK Governance

- Partnership Council (Ministerial Level)
- Specialised Committee for Energy (TBC)
- Replacements for ACER and ENTSOe/g

New Cross-Border Trading Arrangements

Electricity Trading over Interconnectors

New Trade Arrangements

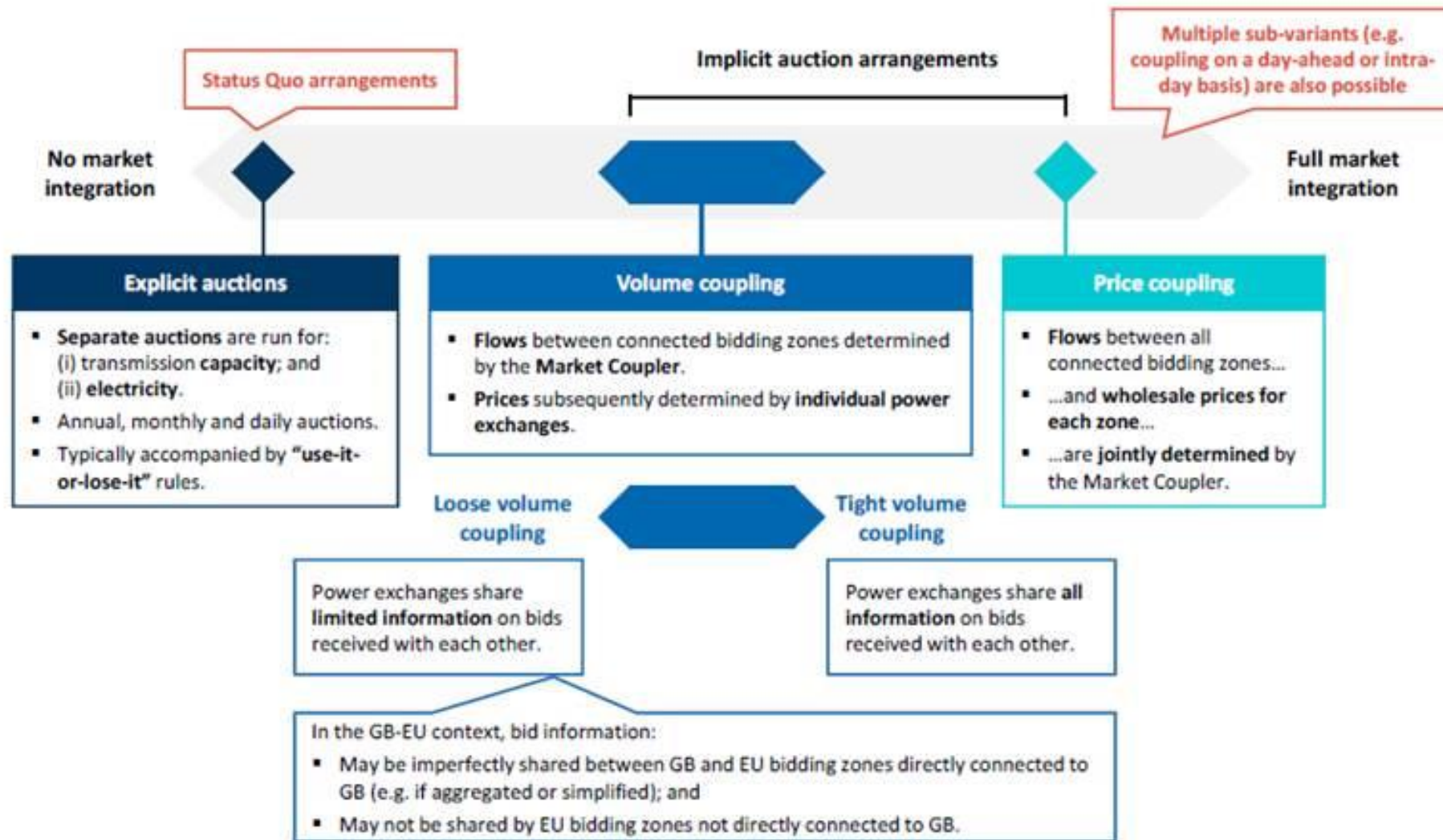
- TSOs to develop
- Day Ahead to apply from Apr 2022

- On the first of these three the EU and UK have agreed that the new set of arrangements must be more efficient, but not the same as the EU's Single Day Ahead Coupling (SDAC) process



- Annex ENER-4 requires
 - The new day-ahead procedure shall be based on the concept of "Multi-region loose volume coupling".
 - The overall objective of the new procedure shall be to maximise the benefits of trade.
- It states that "The net energy positions over electricity interconnectors shall be calculated via an implicit allocation process by applying a specific algorithm to:"
 - commercial bids and offers for the day-ahead market timeframe from EU Bidding Zones directly connected to GB and from relevant day-ahead markets in the United Kingdom
 - network capacity data and system capabilities via procedures agreed between TSOs
 - data on expected commercial flows of electricity interconnections between bidding zones connected to the United Kingdom and other bidding zones in the Union, as determined by Union transmission system operators using robust methodologies

What is Loose Volume Coupling?



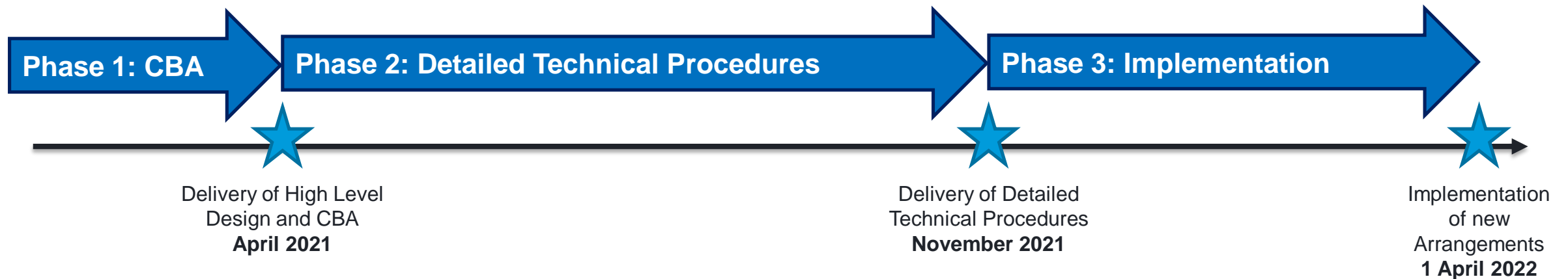
New Cross-Border Trading Arrangements

Electricity Trading over Interconnectors

New Trade Arrangements

- TSOs to develop
- Day Ahead to apply from Apr 2022

- UK and EU TSOs have been given the responsibility to develop these arrangements:
- Three parts to the work:
 1. Develop a High Level Design (from the Annex ENER-4 outline) and Cost Benefit Analysis of the High Level Design
 2. Develop Detailed Technical Procedures to implement the High Level Design and seek regulatory opinions
 3. Following approval from the Specialised Technical Committee for Energy, to implement the approved mechanism



Cost Benefit Assessment (CBA) - Latest

- TSOs asked by BEIS and European Commission to complete the CBA:
 - EU: EirGrid, Elia, Energinet, RTE, Statnett, TenneT
 - UK: BritNed, EirGrid Interconnector DAC, ElecLink, Mutual Energy, National Grid Interconnectors, NemoLink
- Consultant has been appointed to help deliver a High Level Design and a Cost-Benefit Analysis
 - This will be published in April 2021
- Thereafter TSOs plan to regularly engage all stakeholders on the CBA and the development of Detailed Technical Procedures

4. Update on ACER

Catherine Contiguglia, Ofgem

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> <p>Update 9th March 2021 - Articles 35 and 36 have been omitted from the recast SIs and so this action can be closed.</p> <p>NGESO will play a full part in the new coordination arrangements</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	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.
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	NGESO has submitted derogation requests directly to Ofgem. There is no obligation to publish the requests however NGESO will provide more details in future. STOR/BM 6(4) derogation request to be published shortly.
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	No update but being progressed at two weekly meeting with interested parties

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 13 April	
Tuesday 11 May	

7. Stakeholder Representation

All

8. AOB