

Joint European Stakeholder Group



Tuesday 13 July 2021
Meeting 59

1. Welcome & Introductions

Garth Graham
Independent Chair

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	TCA Update	Camille Gilesnan & Osaaf Syed, NGESO	10:05 - 10:15
3.	CEP 6(4) update	Joseph Henry, NGESO	10:15 - 10:25
4.	Article 52	Shalini Suthasan, NGESO	10:25 - 10:30
5.	Dynamic Moderation (DM) / Dynamic Regulation (DR)	Alastair Grey, NGESO	10:30 - 10:40
6.	Review of Actions log	Andrew Hemus, Tech Secretary	10:40 - 10:45
7.	Future Meeting Dates & Agenda Items	Andrew Hemus, Tech Secretary	10:40 - 10:45
8.	Stakeholder Representation	Chair	10:40 - 10:45
9.	Any Other Business	All	10:45 - 11:00

2. TCA Update

Camille Gilesnan & Osaaf Syed, NGENSO



NGESO TCA Update – Day Ahead Capacity Calculation Technical Procedure

Camille Gilsonan & Osaaf Syeda

Technical Procedures Required for Electricity Trading Arrangements

Recap

Procedure	Lead	Support	What does it look like? What does it cover?	Timeframe for entry into operation
Capacity Calculation	<ul style="list-style-type: none"> NGESO to lead 	<ul style="list-style-type: none"> NGESO will need support from interconnectors, connecting TSO, ENTSOE etc 	<ul style="list-style-type: none"> Current assumption is that it could look a bit like the CACM framework, but not necessarily. Needs to hit all the areas mentioned in the TCA Scope of this work is outlined in the TCA and BEIS letters (Annex 2) 	<ul style="list-style-type: none"> Feedback received to date is that this technical procedure should run in parallel with the day ahead LVC procedure (which is required April 2022)
Capacity Allocation and Day Ahead target model	<ul style="list-style-type: none"> ICs to lead 	<ul style="list-style-type: none"> NGESO to support 	<ul style="list-style-type: none"> Allocation of capacity across all timeframes The Day Ahead arrangements are the priority For other timescales UK/EU TSOs have been requested to proposal timescales for the development of the TP for the remaining timeframes 	<ul style="list-style-type: none"> April 2022 for day ahead technical procedure Other timeframes TBC
Balancing	<ul style="list-style-type: none"> NGESO to lead 	<ul style="list-style-type: none"> NGESO will need support from the interconnectors, connecting TSOs, BM and Non BM parties, ENTSOE etc 	<ul style="list-style-type: none"> What is the requirement What product/products do we need for efficient cross-border balancing 	<ul style="list-style-type: none"> Timeframe to be proposed by EU and UK TSOs
Other Procedures Required	<ul style="list-style-type: none"> Specialised Committee to provide recommendations 	<ul style="list-style-type: none"> NGESO, Interconnectors, connecting TSOs, ENTSOE, BM and Non BM parties and other industry participants etc 	<ul style="list-style-type: none"> Other aspects of the TCA 	<ul style="list-style-type: none"> TBC

Day Ahead Capacity Calculation Technical Procedure

Overview

- We are in the process of developing a new relationship with the European Union under the EU-UK Trade and Cooperation Agreement (TCA). The TCA describes a number of processes to develop new working arrangements **and technical procedures** to coordinate with Europe.
- One of the TPs required is the Day Ahead Capacity Calculation Methodology.

Activities Completed to date

Month	Activity
June	Started UK/EU TSO workgroups on Day Ahead Capacity Calculation Technical Procedure.
June & July	Started to co-create a UK TSO position on Day Ahead Capacity Calculation Technical Procedure.
July	High level initial UK TSO position presented to ENTSOE and EU TSOs and feedback received from ENTSOE and EU TSOs on their initial position and next steps agreed.

Day Ahead Capacity Calculation Technical Procedure

Next Steps

Timeframe	Activity
July	Weekly workgroups with UK TSOs on DA Capacity Calculation Technical Procedure
August	Next workgroup with EU and UK TSOs on 27 th August
*November	The Technical Procedure and regulatory opinions to be submitted by November to the Specialised Committee, following industry consultation
*April	Entry into operation of the DA Technical Procedure

**These timelines are outlined in TCA Annex ENER 4.*

3. CEP 6(4) update

Joseph Henry, NGENSO

Clean Energy Package – Workstream Update

13 July 2021

Pricing Proposal under Article 6(4) for Pay as Clear

- Article 6(4) obliges TSOs to settle balancing energy (utilisation) on a pay-as-clear (PAC) basis for standard and specific balancing products.
- Currently all balancing products use a pay-as-bid (PAB) settlement for balancing energy.
- PAC is where all providers receive the most expensive bid that has been accepted, whereas PAB is where all providers who are accepted receive the price they have bid.

When is PAC preferable to PAB?

- When the market is homogenous
- When the market is competitive
- When there is perfect information available

Pricing Proposal under Article 6(4) for Pay as Clear

What Industry Engagement is Planned?

- Webinars
- Consultation
- Regular and effective communication

Provisional Timeline (subject to change)

Milestone	Date
Draft Submitted to Ofgem for Feedback	July 2021
Initial Industry Engagement	July/August 2021
EBR Article 10 Consultation	August 2021
Final Submission to Ofgem	September 2021

4. Article 52

Shalini Suthasan, NGESO



JESG EBR Article 52 ISH Amendment

Context and Outcome

- ❖ EBR Article 52 - Imbalance Settlement Harmonisation (ISH) is a retained European requirement for all European Balancing Guidelines (EBGL) effected countries to harmonise the way they calculate imbalance settlement.
- ❖ EBGL has now been retained in UK law under EBR.
- ❖ The consultation was run with industry to allow National Grid ESO (NGESO) to amend the Imbalance Settlement Harmonisation (ISH) article 10(4)1 related to Article 52. This consultation focused on the amendment to the methodology to allow the UK to continue to use the market index price when Elexon calculates the cash out price which was agreed by everyone.
- ❖ We then amended the methodology to make it a UK methodology, and not make references to anything related to the EU which are no longer relevant to the UK since Brexit.
- ❖ We ran the consultation, had two responses and the workgroup agreed with us on our approach.
- ❖ We are now in negotiations with Ofgem to approve the methodology so that it can be retained in UK law and we can continue to use the market index price in cash out going forward.

5. Dynamic Moderation (DM) / Dynamic Regulation (DR)

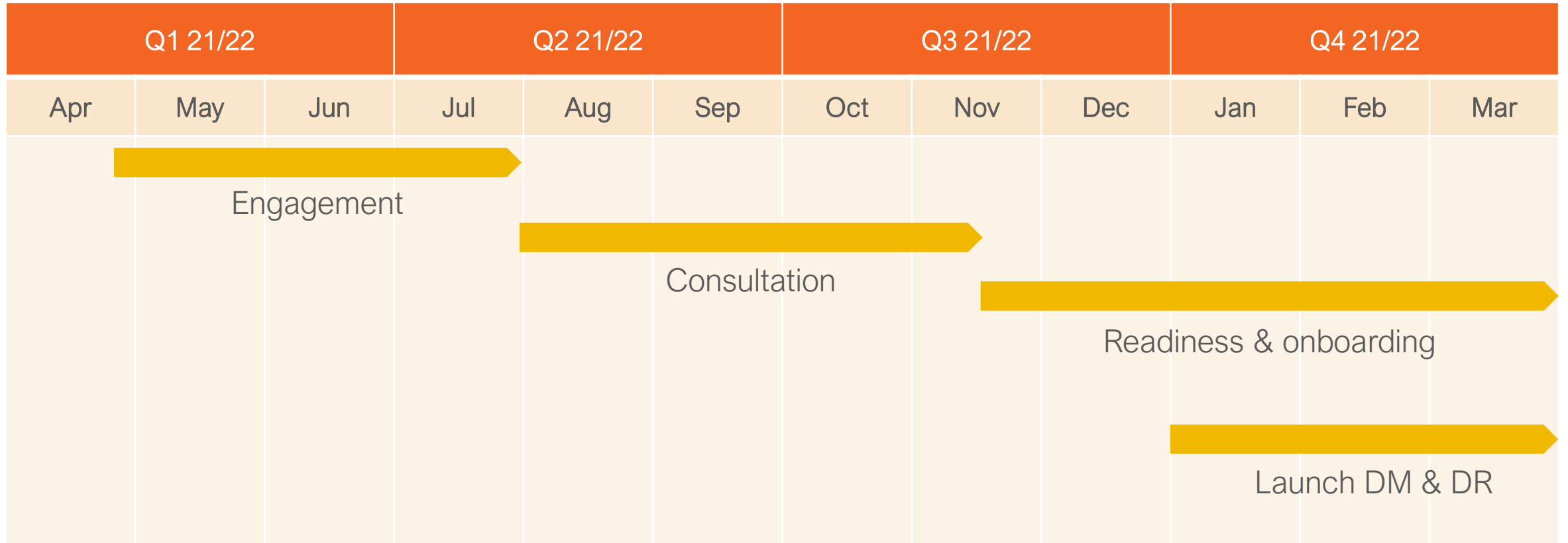
Alastair Grey, NGENSO



Dynamic Moderation and Dynamic Regulation

July 2021

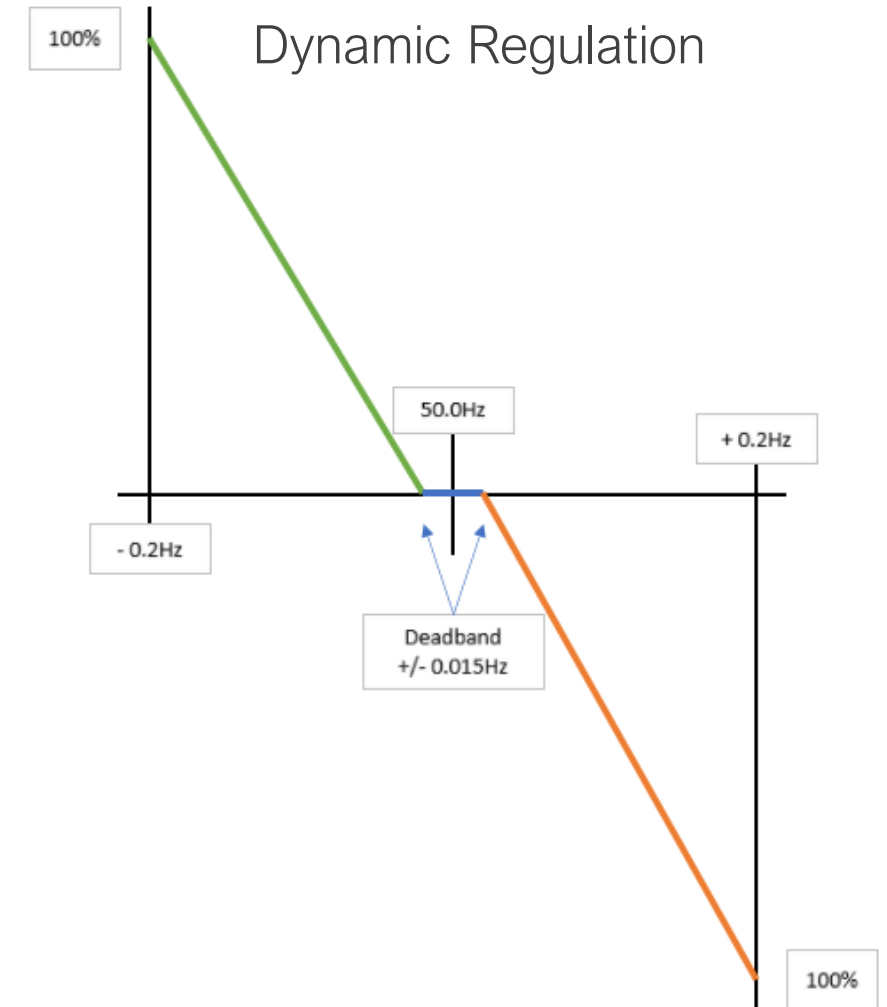
DM & DR timeline



Dynamic Regulation

- Designed to slowly correct small continuous deviations in frequency around 50Hz
- Won't need to respond as rapidly but must have a duration that supports continuous operation

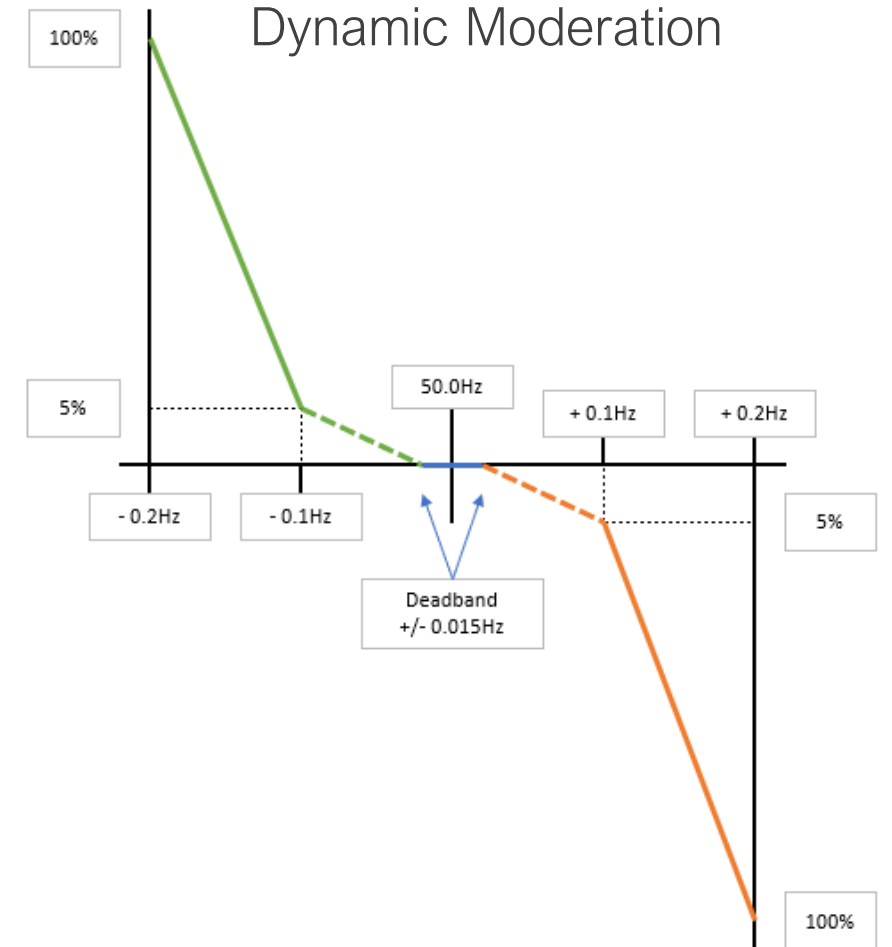
	Operational Range (Hz deviation)	Max. ramp start (s)	Time to full delivery (s)	Duration
Proportional to frequency	+0.015 to +0.2 -0.015 to -0.2	2	10	Continuous



Dynamic Moderation

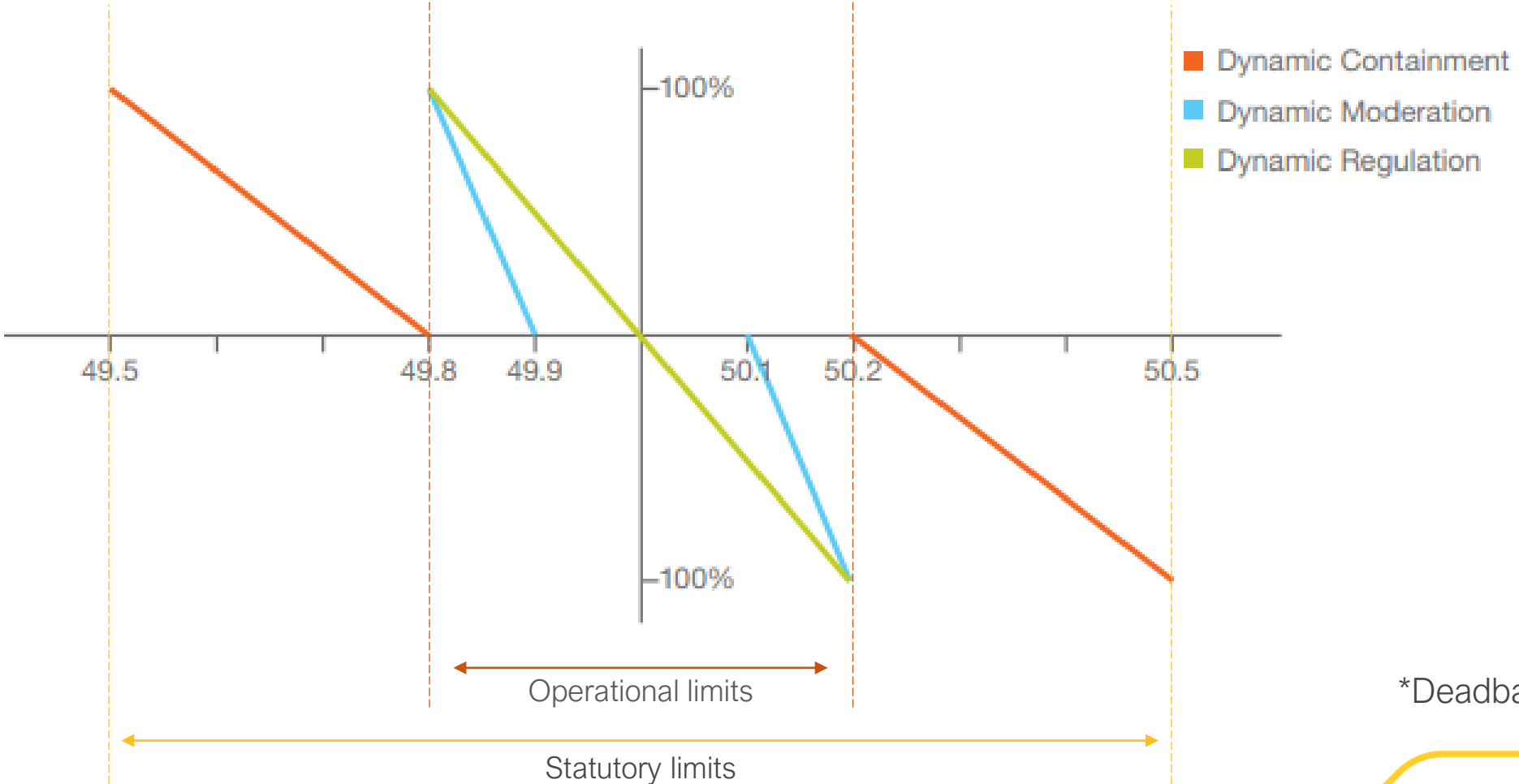
- Rapidly delivers with the aim of keeping frequency within operational limits
- Helps to manage sudden large imbalances by responding quickly

	Operational Range (Hz deviation)	Max. ramp start (s)	Time to full delivery (s)	Duration
Proportional to frequency	+0.1 to +0.2 -0.1 to -0.2	0.5	1	Continuous (30 mins for energy limited assets)



New frequency response products

High level overview*



*Deadbands not shown

Service design

Topics still to explore:

- GSP
- Baselines
- Stacking across all 3 services
- Bundling procurement – DM and DR
- Warranties
- Duration for energy limited assets – DM and DR
- Auction timings across all 3 services
- Launch DM and DR together or separately

6. 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
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.	Claire Huxley (NGESO)	Open	The methodology is currently being finalised following the consultation.

7. 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 10 August	
Tuesday 14 September	

8. Stakeholder Representation

All

9. AOB