

Headline Report

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| Meeting number: | Meeting 60 |
| Date of meeting: | Tuesday 14 September 2021 |
| Location: | Webinar |

This note sets out the headlines from the latest meeting of the Joint European Stakeholder Group (JESG) and is provided in addition to the presentations from the meeting which are available within the Codes Calendar on the Electricity System Operator website. The material in the presentation is not duplicated in this report.

If you have any queries in relation to the content of this report, please email the JESG Technical Secretary Andrew Hemus at box.europeancodes.electricity@nationalgrideso.com

Industry Updates

TCA Update provided by Osaaf Syed & Camille Gilsenan, NGESO

Osaaf Syed and Camille Gilsenan provided an update on the TCA, details available on the slides.

TCA Progress provided by Catherine Contiguglia, Ofgem

Catherine Contiguglia gave an update on TCA progress.

The Ofgem consultation on the proposed approach to costs for the multi-region loose volume coupling trading arrangements under the EU-UK TCA closed 24 June 2021 which had 10 responses. Ofgem considering feedback and engaging with stakeholders. The cost decision is linked to the progress on Loose Volume Coupling Trading, so timings on this decision will be in due course.

The draft cooperation arrangement between UK Regulator and ACER has been agreed and has now been submitted to the UK government and the European Commission.

CEP 6(4) Update provided by Joseph Henry, NGESO

Joseph Henry provided an update on CEP 6(4) Update, details available on the slides.

Upcoming PX consultation overview provided by Anato Chowdhury, BEIS

Anato Chowdhury gave an overview on the Upcoming PX consultation.

The consultation will be asking how the role between exchanges evolves and will be an opportunity for formal submissions. The consultation is expected to open in late September and will be open for 4 weeks. Responses will be assessed as they are submitted. Following the consultation closure in late October BEIS will take some time during November to form a position and will then set out their views and recommendations going forward sometime in December.

AOB

None

Next Meeting and Future Agenda Items

- The next JESG meeting will be **12 October 2021** starting at 10am.
- Stakeholders are invited to submit agenda items and presentation material for this meeting by **1 October 2021** or any future meetings to the Technical Secretary by emailing: box.europeancodes.electricity@nationalgrideso.com.

Action Log

The Technical Secretary noted the JESG Standing Actions and updates on current actions.

| Standing Actions | | | | |
|------------------|---|--|---------------|-----------|
| ID | Topic | Lead Party | Status | Source |
| S1 | Continue to review the membership of the JESG and engage additional industry parties where appropriate. | JESG Chair | Standing Item | JESG S3 |
| 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. | NGESO / Ofgem / BEIS | Standing Item | JESG S1 |
| 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 | Standing Item | ECCAF 3/2 |

| New & 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 | Please see below. |
| <p>Summary of impact on BSUoS from the recently approved GB NTC commercial Methodology.</p> <p>At present, in order to manage the potential system impact from interconnector flows NGESO takes a range of actions, including BOAs, third party cross border trades and Intraday Trading Limits (ITLs). The significant majority of such actions are needed for the management of the Rate of Change of Frequency issue. Stage 2 of the Frequency Risk and Control Report changes is due to go live in October 2021, after which time the requirement to take such actions is expected to greatly reduce (if not stop entirely for the typical 1GW interconnector).</p> <p>That withstanding, the capability to control interconnector capacity is still required. NGESO intends to replace the current ITL tool with Net Transfer Capacity (NTC), which can limit both allocated and unallocated cross border capacity. At this time, NTCs will only be applied to the intraday interconnector capacity auctions (as long as an intraday market is available). The anticipated impact on BSUoS is:</p> <ul style="list-style-type: none"> • Use of NTC to manage unallocated intraday capacity, is expected to have a net zero impact as the NTC Commercial Methodology may result in payments to, or payments from the interconnector. • Use of NTC against allocated capacity will only occur under force majeure or emergency situations and therefore will be extremely infrequent. This will replace to apply the need to apply other emergency mechanisms which typically have the same cost basis. <p>The use of third-party trading will remain the main method by which to control interconnector flow and as this is not impacted by the introduction of NTC, then there is no anticipated cost impact.</p> | | | | |

| Recently Closed Actions | | | | |
|-------------------------|-------|------------|--------|--------|
| ID | Topic | Lead Party | Status | Update |

| Meeting Attendees | |
|-------------------------|--------------------------|
| Name | Company |
| Garth Graham | SSE Generation |
| Andrew Hemus | JESG Technical Secretary |
| Anato Chowdhury | BEIS |
| Kevin Anaafi-Brown | BEIS |
| Heidi Ranscombe | Citizens Advice |
| Rowan Hazel | Cornwall Insight |
| Sudharsana Govindaswami | Cummins Power System |
| Josh Logan | DRAX |
| Joseph Henry | NGESO |
| Camille Gilsean | NGESO |
| Osaaf Syed | NGESO |
| Tom Ireland | NGESO |
| Catherine Contiguglia | Ofgem |
| Graz Macdonald | Waters Wye Associates |