

Joint European Stakeholder Group



Tuesday 12 October 2021
Meeting 61

1. Welcome & Introductions

Garth Graham
Independent Chair

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	CEP Article 6(4) update	Joseph Henry, NGESO	10:05 - 10:15
3.	NGESO TCA Update	Osaaf Syed & Chris Parsons, NGESO	10:15 - 10:25
4.	PX Exchanges Consultation	Kevin Anaafi-Brown, BEIS	10:25 - 10:35
5.	Review of Actions log	Andrew Hemus, Tech Secretary	10:35 - 10:40
6.	Future Meeting Dates & Agenda Items	Andrew Hemus, Tech Secretary	
7.	Stakeholder Representation	Chair	10:40 - 10:45
8.	Any Other Business	All	

2. CEP Article 6(4) update

Joseph Henry, NGENSO

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

Workstream – Creating a GB Pricing Proposal which currently existing in ERL Article 30(1) and Article 30(3) of the Regulation (EC) 2017/2195

Update since last JESG:

- Webinars held in September and October to gauge industry feedback and to work through drafting
- Bilateral conversations being held with vocal stakeholders and much feedback taken on during latest PP walkthrough
- Feedback being taken into consideration before final redrafting
- Aim to open consultation in October, final submission in November

Next Steps

- ESO to complete final drafting
- Consultation to open in late October
- Submission to Ofgem in November

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

Upcoming Milestone and timelines

Milestone	Provisional Date
Further development based on feedback	October 2021
EBR Article 10 Process and Consultation	Early October
Final submission to Authority	November 2021
Decision	2 months after submission

3. NGENSO TCA Update

Osaaf Syed & Chris Parsons, NGENSO



NGESO TCA Update – Day Ahead Capacity Calculation Technical Procedure

Osaaf Syed & Chris Parsons

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
September/October	<p>NGESO along with the UK TSOs working group have collaborated on a paper detailing the current position of both the Capacity Calculation and Capacity Allocation Technical Procedures. This paper will be reviewed at the UK TSO SteerCo on 14/10/2021 before being sent to BEIS and OFGEM.</p> <p>The UK TSOs are working to develop their position on capacity calculation.</p> <p>EU TSOs are working to develop an EU position before bringing it to the UK TSOs for discussion.</p>

Day Ahead Capacity Calculation Technical Procedure

Next Steps

Timeframe	Activity
October / November	Continue to engage with BEIS and Ofgem on a way forward for the Capacity Calculation Technical Procedure.
*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.*

4. PX Exchanges Consultation

Kevin Anaafi-Brown , BEIS

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
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.

Summary of impact on BSUoS from the recently approved GB NTC commercial Methodology.

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).

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:

- 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.

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.

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 November	
Tuesday 14 December	

7. Stakeholder Representation

All

8. AOB