

Joint European Stakeholder Group



Tuesday 9 November 2021
Meeting 62

1. Welcome & Introductions

Garth Graham
Independent Chair

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	NGESO TCA Update	Chris Parsons, NGESO	10:05 - 10:15
3.	CEP Article 6(4) update	Claire Huxley, NGESO	10:15 - 10:20
4.	Article 52 update	Alison Price, NGESO	10:20 - 10:25
5.	P412 consultation reminder	Alison Price, NGESO	10:25 - 10:35
6.	Timelines and next steps for the approach to costs for the multi-region loose volume coupling trading arrangements under the EU-UK TCA.	Catherine Contiguglia , Ofgem	10:35 - 10:40
7.	Review of Actions log	Andrew Hemus, Tech Secretary	
8.	Future Meeting Dates & Agenda Items	Andrew Hemus, Tech Secretary	10:40 - 10:45
9.	Stakeholder Representation	Chair	
10.	Any Other Business	All	10:45 - 10:50

2. NGENSO TCA Update

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 new cooperation mechanisms with EU stakeholders under the EU-UK Trade and cooperation agreement 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
October/ November	<p>The UK TSOs have outlined in a position paper to BEIS that the November 2021 deadline could not be achieved without EU TSOs engagement.</p> <p>As it stands, EU TSOs are awaiting guidance from the Specialised Committee on Energy (SCE) on governance and new timelines for the DA CC TP.</p> <p>UK & EU TSOs have reopened dialogue for the DA CC.</p> <p>UK TSOs have provided positive feedback to the EU TSOs on their proposed approach of:</p> <ul style="list-style-type: none">• A high level technical procedure document – jointly with the UK TSO – where main principles are agreed. For approval by the Specialised Committee on Energy.• A detailed CC procedure – details description of the CC methodology- for approval by the concerned EU and UK NRAs.

Day Ahead Capacity Calculation Technical Procedure

Month	Next Steps
November/December	<p data-bbox="817 277 2423 372">EU TSOs have advised that they have planned working sessions through November and December to work on the high-level principles for capacity calculation.</p> <p data-bbox="817 429 1646 472">UK TSOs will be carrying out a similar activity.</p> <p data-bbox="817 529 2328 625">Biweekly Capacity Calculation workgroups with UK and EU TSO are planned to co-create a solution that is fit for purpose for both UK and EU TSOs</p>

3. CEP Article 6(4) update

Claire Huxley, NGENSO

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

Workstream – Creating a GB Pricing Proposal

Update since last JESG:

- We are currently drafting the consultation documents and plan to run it in line with EBR Article 10 consideration
- The consultation is currently subject to internal governance
- We hope to update industry on timelines in the near future

Next Steps

- ESO to complete final drafting and internal governance
- Consultation to open TBC
- Submission to Ofgem following consultation close

4. Article 52 update

Alison Price, NGENSO

Article 52 update

- Gap identified in compliance to Article 52 and the Imbalance Settlement Harmonisation (ISH) around the price applicable during settlement periods where no balancing energy actions had taken place.
- The calculation requires TSOs to only use the value of real energy bids available during the affected settlement period. In GB we currently use the Market Index Price (MIP) to represent a price during these “avoided activation” settlement periods, however as the MIP is derived from the wholesale energy markets and not real energy bids available during the settlement period, this renders it non-compliant with the ISH (in the ISH this price is referred to as “Value of Avoided Activation”).
- Recommendation is to include subsequent legal text that would permit the use of the Market Index Price (MIP) in the Value of Avoided Activation (VOAA) calculation.
- Report and recommendation to amend the Electricity Balancing Regulation (EBR) Article 52 ISH formally submitted to Ofgem mid-October.
- A red lined version of the ISH methodology has also been submitted to Ofgem detailing the calculation amendment required. As this is now a UK methodology, the ISH methodology has also been amended to remove references to EU terminology.
- Decision expected from Ofgem mid-December.

5. P412 consultation reminder

Alison Price, NGENSO

P412 consultation reminder

- The recast Electricity Regulation articles 5.1 and 6.5 require that all market participants be financially responsible for any system imbalance they cause through under or over delivery of a balancing service and that the settlement of this position should be at a price that reflects the real time value of energy.
- Services settled via the Balancing Mechanism are compliant with this requirement however non-Balancing Mechanism services are arguably not.
- BSC Mod P412 was raised to address this concern and a workgroup set up to identify a possible solution.
- Several options to correct this were identified by the Working group however due to the potential scale and effects of the options proposed on market participants, NGESO agreed to launch a wider consultation to seek the views of all interested parties on how best to approach this issue.
- NGESO have an open consultation on the options identified by the Working Group along with asking Industry to identify other potential solutions. Consultation is due to close Friday 26th November.
- The conclusions from this consultation will feed into the P412 development process and allow all participants, NGESO and Ofgem to make an informed decision on how to progress an appropriate solution to this issue.

6. Timelines and next steps

for the approach to costs for the multi-region loose volume coupling trading arrangements under the EU-UK TCA.

Catherine Contiguglia, Ofgem

7. 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

8. 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 14 December	
Tuesday 11 January	

9. Stakeholder Representation

All

10. AOB