

Joint European Stakeholder Group



Tuesday 8 February 2022
Meeting 64

1. Welcome & Introductions

Garth Graham
Independent Chair

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	Cross Border Balancing Stakeholder engagement plan	Camille Gilsenan and Alex Markham, NGESO	10:05 - 10:10
3.	DA CC update	Osaaf Syed and Chris Parsons, NGESO	10:10 - 10:15
4.	CEP Article 6(4) consultation walk through	Joseph Henry, NGESO	10:15 - 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	
7.	Stakeholder Representation	Chair	10:35 - 10:45
8.	Any Other Business	All	

2. Cross Border Balancing Stakeholder engagement plan

Camille Gilsenan and Alex Markham, NGENSO

An aerial photograph of rolling green hills, likely agricultural fields, with several bright, glowing yellow lines streaking across the landscape from the bottom left towards the top right. The hills are covered in dense green vegetation, and the lines appear to be digital overlays or light trails.

Future of Cross-border Balancing JESG NGESO

Context

What is Cross-Border Balancing

- The exchange of balancing energy via the interconnectors.

What is the current state of play

- GB has now left the EU and as a result, the requirements for TERRE and MARI have been removed from the Statutory Instruments.
- We are in the process of developing a new relationship with the EU under the Trade and Cooperation Agreement (TCA). The TCA requires GB and the EU to develop technical procedures to ensure continued coordination with Europe.
- One of the technical procedures required is a procedure for cross-border balancing. RTE (on behalf of EU TSO's) has been engaging with the ESO on this workstream.

What is the future intent?

- This technical procedure aims to enable the exchange of balancing energy between NGENSO and connected EU TSOs, via the interconnectors (a market to compliment TERRE/MARI).
- This exchange should take place in balancing timescales (T-1) and the product should be accessible to both EU and UK TSOs.
- No timeframes have been outlined in the TCA.

Proposed Approach and Timelines

What is our proposed approach to take this work forward?

- Divide this work into two workstreams
 - 1) An **interim cross-border balancing solution**. This involves improving/creating SO-SO balancing services to make them fit for purpose (e.g. BALIT). To go live ~Q1 2023.
 - 2) An **enduring cross-border balancing solution**. This involves designing a new TERRE/MARI 'like' market. To go live ~2026
- Start socialising this work externally in Feb 2022 with UK, EU TSOs and wider industry
- Seek external resource to carry out a CBA and modelling to help NGENSO get to an enduring recommendation.

Benefits

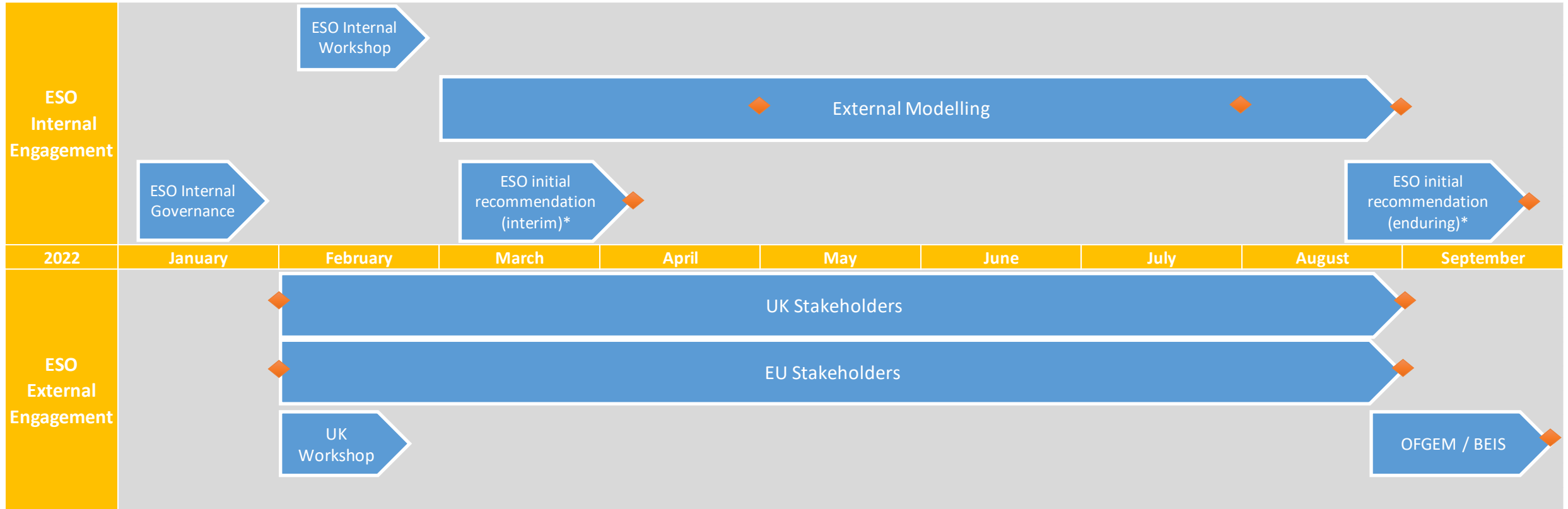
- Minimised use of emergency actions and expensive alternatives
- An enduring balancing market is expected to lower balancing costs and benefit the end consumer (AFRY conducted a CBA last year which shows that a GB-FR CBB arrangement could lead to a reduction of ~£2.2-£9.8m in balancing costs)

Risks

- Resource and engagement
- EU TSOs already have access to TERRE/MARI, so we need to create something that complements these markets

Timelines and Next Steps

Timelines and Next Steps



Questions to think about in our Discovery Phase

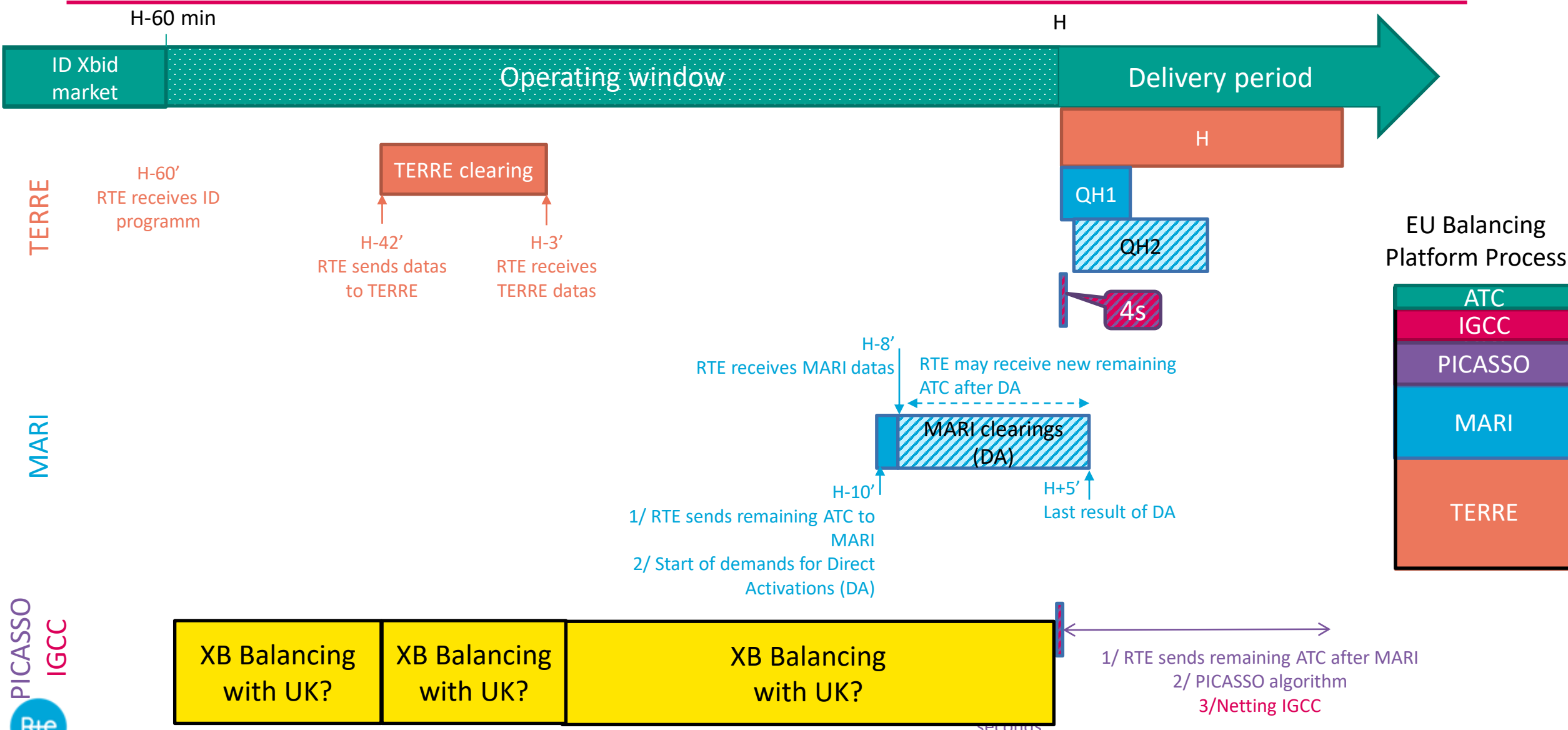
- 1) How do you define cross-border balancing and the scope of this work?
- 2) What do we want out of CBB and why?
- 3) What are the benefits, risks, and opportunities associated with balancing?
- 4) How do these compare with EU Interests?
- 5) What are the options that can meet these objectives?
- 6) Do you have an indicative timeline for this work?
- 7) What are the appropriate next steps and forms of communication?
- 8) Who do we need to engage with from your organisation?

Any feedback or responses, please contact:

Alex.Markham@nationalgrideso.com

Camille.Gilsenan@nationalgrideso.com

RTE Balancing Market Interactions



3. DA CC update

Osaaf Syed and 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 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
December/January	<p>The UK TSOs are continuing to develop their high level principles and develop a UK TSO position.</p> <p>As a result we held a strategic workshop with the UK Authorities and all relevant UK TSOs. The workshop highlighted the high level strategic questions to be agreed between all parties. (e.g. What does good look like for the UK? What do we believe are the EU TSOs interests? What are the risks benefits and opportunities? What works for relevant UK TSOs and how do we amalgamate views to create the TSO position.</p> <p>ENTSOE have advised that there are still some gaps in the EU TSO position and will be having further meetings with EU Authorities.</p>

Day Ahead Capacity Calculation Technical Procedure

Month	Next Steps
February/March	<p data-bbox="828 278 2486 378">Create stakeholder engagement plan of future workshops, workgroups and bi-lateral discussions where required.</p> <p data-bbox="828 428 2486 528">Share the stakeholder engagement plan with UK Authorities. BEIS have advised that they will aim to put this into their Forward Look plan for endorsement.</p> <p data-bbox="828 578 2486 735">Confirming the high level principles that underpin the Day Ahead Capacity Calculation Technical Procedure. Further work is being done internally at NGENSO ahead of socialising with relevant UK TSOs for further discussions and negotiations.</p> <p data-bbox="828 785 2486 885">Continuing to work towards an agreed UK TSO position, this will include outcome of previous and further workshops.</p> <p data-bbox="828 935 2486 1035">UK TSOs to begin work on drafting a skeleton technical procedure for further discussion at a future UK Authority and TSO workshop.</p>

4. CEP Article 6(4)

Consultation walk through

Joseph Henry, NGENSO



CEP Article 6(4) Consultation walk through

Joseph Henry

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

Workstream – Creating a GB Pricing Proposal

Update since last JESG:

- We are running this consultation in line with EBR Article 10 considerations.
- The consultation was published on 7 February 2022 and is open for 1 calendar month

Next Steps

- Consultation period to run for 1 calendar month
- ESO to review submissions
- Submission to Ofgem following consultation close

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

Previous Engagements:

Webinar recordings and materials are available on our website. [Webinar 1](#) [Webinar 2](#)

Engagement Event	Dates
Joint European Stakeholder Group (JESG)	June, July, August, September, October 2021, November 2021, December 2021
First industry webinar - introduction	7th September 2021
Bi lateral conversations with 6 stakeholders	W/C 14th September 2021
Second industry webinar - walkthrough of document	8th October 2021
Further bi-Lateral conversations with stakeholders	W/C 11th October 2021

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

Workstream – Creating a GB Pricing Proposal

What can I expect from the Consultation?

The proposal consists of five documents – please see below

Document	Description
Consultation Letter	Letter outlining the consultation, giving overview of process, submission deadlines
Draft Pricing Proposal	The document itself, detailing the criteria and process.
Explanatory Document	Document to explain the context and methodology behind the proposal
Feedback Document	Document to explain what we did with your feedback, and what we changed
Consultation Pro-Forma	Pro-forma to return questions

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

Workstream – Creating a GB Pricing Proposal

What changes have been made since the original webinars?

You told us certain aspects of the proposal should change; please see below table

Change	Description
Amendment of information criteria	Information criteria amended from “perfect” to “all”
Homogeneity criteria	Updated to encompass rigidity and technical parameters
Clarification of Scope	Scope document produced highlighting which products are in and out of scope
BM BOAs	Section added to explanatory document to discuss treatment of BM BOAs

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
11-1	NGESO to create list of work being done to account for the exit from Europe.	NGESO	Open	List has been circulated in the JESG newsletter during January.
12-2	CEP Article 6(4) update - Walk JESG through consultation when open in Q1 2022	NGESO	Open	
12-3	NGESO TCA Update on Cross-Border Balancing Technical Procedure - update JESG with industry engagement plan and the relationship with TERRE and MARI and how they all complement each other.	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 8 March	
Tuesday 12 April	
Tuesday 10 May	
Tuesday 14 June	
Tuesday 12 July	

7. Stakeholder Representation

All

8. AOB