

Joint European Stakeholder Group



Tuesday 18 October 2022
Meeting 69

1. Welcome & Introductions

Garth Graham
Independent Chair

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	NTC Reporting C28 derogation for NTC	Osaaf Syed, NGENSO	10:05 - 10:10
3.	FFR Strategy	Stephen Wright, NGENSO	10:10 - 10:15
4.	Cross-Border Balancing Timeline (Verbal update)	Chris Parsons, NGENSO	10:15 - 10:20
5.	Review of Actions log	Andrew Hemus, Tech Secretary	10:20 - 10:25
6.	Future Meeting Dates & Agenda Items	Andrew Hemus, Tech Secretary	
7.	Stakeholder Representation	Chair	10:25 - 10:30
8.	Any Other Business	All	

2. Net Transfer Capacity (NTC) Reporting C28 derogation for NTC

Osaaf Syed, NGESO

Current NTC Process

- The current NTC processes, as highlighted in the Commercial Compensation Methodology will remain as they are until a methodology for capacity calculation, as part of the Trade and Corporation Agreement, is established.
- NGENSO will apply for a derogation from Standard Licence Condition C28.4(h)(i) to seek continued use of NTC
- The current derogation decision from OFGEM expires [1 May 2023](#)
- *N.b. there will be no market consultation on the C28 Derogation Cost Benefit Analysis. The NTC Commercial Compensation methodology will continue as mentioned above.*

NTC Transparency

- NGESO have started the publication of NTC & ITL restrictions applied by NGESO
- This data can be found on the ESO Data Portal Interconnectors area.

<https://data.nationalgrideso.com/data-groups/interconnectors>

- Publication of daily data for NSL & ElecLink commenced on Tuesday 4th October 2022
- Publication of weekly data for IFA, IFA2, BritNed & NemoLink will commence w/c 17th October 2022

N.B. – Publication of daily data for IFA, IFA2, BritNed & NemoLink will commence gradually as they required process changes are implemented in coordination with the Interconnector Owners and Connected TSOs

N.B. – Data will only be published when NGESO has applied a restriction. When NGESO has no need to apply a restriction we do not send any data to the Interconnector auction platforms and, for most ICs, no restriction from NGESO is assumed. As the publication is automatic from NGESO IT systems, this also applies to the files on the data portal.

NTC Transparency

Example daily file NGENSO upload to the ESO Data Portal

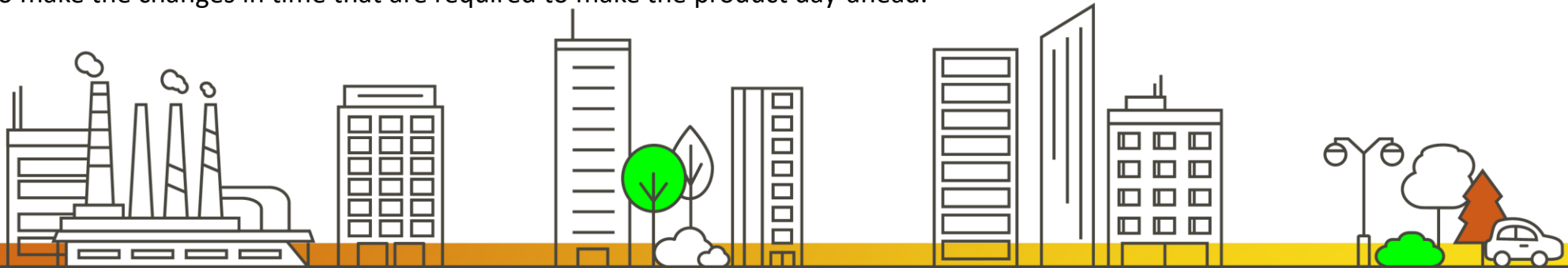
	1	2	3	4	5	
1	_id	Hourly Time Period (GMT)	Flow (MW) To GB	Flow (MW) From GB	Reason For Reduction	
2	1	22:00 to 23:00	1100	1050	System Security	
3	2	23:00 to 00:00	1100	1050	System Security	
4	3	00:00 to 01:00	1100	1050	System Security	
5	4	01:00 to 02:00	1100	1050	System Security	
6	5	02:00 to 03:00	1100	1050	System Security	
7	6	03:00 to 04:00	1100	1050	System Security	
8	7	04:00 to 05:00	1100	1050	System Security	
9	8	05:00 to 06:00	1100	1050	System Security	
10	9	06:00 to 07:00	1100	1050	System Security	
11	10	07:00 to 08:00	1100	1050	System Security	
12	11	08:00 to 09:00	1100	1050	System Security	
13	12	09:00 to 10:00	1100	1050	System Security	
14	13	10:00 to 11:00	1100	1050	System Security	
15	14	11:00 to 12:00	1100	1050	System Security	
16	15	12:00 to 13:00	1100	1050	System Security	
17	16	13:00 to 14:00	1100	1050	System Security	
18	17	14:00 to 15:00	1100	1100	System Security	
19	18	15:00 to 16:00	1100	1100	System Security	
20	19	16:00 to 17:00	1100	1100	System Security	
21	20	17:00 to 18:00	1100	1100	System Security	
22	21	18:00 to 19:00	1100	1100	System Security	
23	22	19:00 to 20:00	1100	1100	System Security	
24	23	20:00 to 21:00	1100	1100	System Security	
25	24	21:00 to 22:00	1100	1100	System Security	
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3. Firm Frequency Response - FFR Strategy

Stephen Wright, NGENSO

FFR phase out update

- The latest Market Information Report confirms a “reduction of the quantity of monthly FFR that we buy. We are now planning the final steps necessary to implement offsetting our legacy services and expect to be able to start offsetting legacy services and increase the volume of Dynamic Regulation we procure by the end of the year.”
- There will be an update in next month’s Market Information Report including further details of our expected volume requirements for FFR, DR and DM.
- Given that the FFR derogation from CEP Article 6(9) expires March 31st 2023, ESO are currently drafting a derogation for dynamic FFR for another 12 months.
- ESO are in the early stages of exploring options for a new frequency service to complement DC, DM, DR, Slow and Quick Reserve. In the meantime, we will continue to procure static FFR and our intention is to change procurement to day-ahead. This will make the product compliant with CEP Article 6(9).
- ESO have determined that moving the payment mechanism to PAC shows most consumer value. The three criteria of homogeneity, competition and full-information have been sufficiently met to recommend a PAC payment mechanism for the Static FFR product.
- ESO are currently consulting on static day-ahead but are also drafting a derogation against CEP Article 6(9) in the event that it is not feasible to make the changes in time that are required to make the product day-ahead.



FFR phase out next steps

Next steps	Status	Timeframes
Article 18 consultation for static FFR changes	Documents released to industry	September-22
GB Pricing Methodology pro-forma detailing preferred payment mechanism of pay-as-cleared for static FFR	Complete	September-22
Dynamic FFR derogation letter	In Progress	October-22
Static FFR derogation letter	In progress	October-22
Responses received from A18 consultation and submission to Ofgem	Not started	End of October
Ofgem decision on A18 consultation	Not started	End of the year
Static FFR becomes a day-ahead product compliant with CEP Article 6(9)	Not started	~April-23 (this is an estimated delivery date and may change if resourcing requirements for Winter projects exceed our expectations)

4. Cross-Border Balancing Timeline (Verbal update)

Christian Parsons, NGENSO

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
6-1	CEP Article 6(4) update - Pricing Methodology walk through - Publish a statement of approach on the treatment of the maintenance of a “Legacy” product versus the treatment of a “New” product.	Stephen Wright (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 November	
Tuesday 13 December	

7. Stakeholder Representation

All

8. AOB