

Joint European Stakeholder Group



Tuesday 13 June 2023
Meeting 74

1. Welcome & Introductions

Garth Graham – Independent Chair

Agenda

	Title	Lead	Time
1.	Welcome & Introductions	Chair	10:00 - 10:05
2.	Ramping update and timeline	Louise Trodden, ESO	10:05 - 10:10
3.	NTC Commercial Compensation Methodology Consultation	Claire Newton, ESO	10:10 - 10:15
4.	EBR Article 18 Remapping	Ruby Pelling, ESO	10:15 - 10:20
5.	Multi-Region Loose Volume Coupling (MRLVC)	Rein De Loor, ESO	10:20 - 10:25
6.	TCA Working arrangements, Verbal Update	Tom Ireland, ESO	10:25 - 10:30
7.	Review of Actions log	Andrew Hemus, Tech Secretary	
8.	Future Meeting Dates & Agenda Items	Andrew Hemus, Tech Secretary	10:30 - 10:35
9.	Stakeholder Representation	Chair	
10.	Any Other Business	All	10:35 - 10:40

2. Ramping update and timeline

Louise Trodden, ESO

GC0154 update

- Conducted a CBA with independent party. Assessment of a set of options to allow the workgroup to come up with a recommendation to include interconnector ramping in the code
- Workgroup 12 was held 5th June where the ESO shared its recommendation for the solution
- Workgroup shared a view from Interconnectors perspective that they would like to carry on with 100MW/min and offer a ramp service – this is likely to be raised as a formal alternate
- Next meeting WC 20th June
- Engagement with EU TSO is ongoing- next meeting 27th June

ESO Recommendation

	SOGL	Operational	Consumer
<p>ESO recommends the 50MW/min static option</p> <p>Change to the initial view we had at the start of the workgroup</p>	<ul style="list-style-type: none"> • Meets SOGL compliance • 50MW/min would be added to the Grid Code as the maximum (BAU) ramp rate • Simple to implement and transparent to market participants 	<ul style="list-style-type: none"> • Reduces workload on Control Room operations which would allow focus on ensuring economic despatch and low carbon operation, rather than managing fast interconnector ramps • Reduces the likelihood of operational frequency incidents. The best option for security of supply • Brings interconnector ramping closer to the rate of BMUs. (Average of BMU Grid Code arrangements) • Solves the current problem and simplifies control room operation 	<ul style="list-style-type: none"> • Impact on EU consumer and IC welfare (-£17m) over the study period (2023 – 2030) • £865m+ cost saving on GB balancing costs • Minimal reduction to GB consumer and IC welfare of -£2m (more favourable than the other options)

3. NTC Commercial Compensation Methodology Consultation

Claire Newton, ESO

NTC Commercial Compensation Methodology

The consultation is now open until **Monday 3rd July 2023 at 5pm:**

<https://www.nationalgrideso.com/industry-information/codes/balancing-settlement-code-bsc/c16-statements-and-consultations#NTC-commercial-compensation-methodology-consultation>

- The Commercial Compensation Methodology, which was developed in 2021, outlines the commercial arrangements for payments relating to interconnector capacity restrictions resulting from Net Transfer Capacity (NTC) restrictions set by ESO.
- The control room uses NTCs when needed to restrict the import and/or export capacity of interconnectors to maintain security of supply or due to thermal constraints or system margins.
- Because NTCs are not market-based, ESO requires a derogation from Ofgem against Standard Licence Condition (SLC) C28 to use them.
- Ofgem has granted ESO a derogation against C28, until 30th September 2023, to use NTCs. They have requested that in advance of that date we consult with stakeholders on the NTC commercial compensation methodology, to ensure that it is clear and fit for purpose.

Next Steps

- The consultation documents are available in the link above – including a cover note, the amended methodology (tracked changes and clean version) and a response pro-forma.
- Interested parties can respond to the consultation, using the response pro-forma, by Monday 3rd July 2023 at 5pm.

4. EBR Article 18 Remapping

Ruby Pelling, ESO

EBR Article 18 Mapping

- Electricity Balancing Regulation (EBR) is a European Regulation (now GB) that sets out rules for creating markets where countries can share resources used by TSOs. It creates an equal and fair foundation and helps to increase security of supply, limit emission and reduce costs for consumers.
- EBR Article 18 Mapping: Template of the Article 18 mapping highlights where the new/updated product maps to the regulation and BSC, Grid Code and CUSC . It also includes where the Ts and Cs are mapped to EBR Article 18 requirements. This is then consulted on with industry.
- The ESO is looking at reviewing the Ts and Cs mapping document. We are in current scoping phases and will communicate updates to industry as this progresses.

We would welcome industry's thoughts on the current Ts and Cs Article 18 mapping process and documents and any conversations with stakeholders regarding this.

Please contact us via email:

- Ruby.pelling@nationalgrideso.com
- Stephen.wright@nationalgrideso.com

5. Multi-Region Loose Volume Coupling (MRLVC)

Rein De Loor, ESO

MRLVC Update

- As part of the TCA, the UK and EU TSOs are working together on new day-ahead implicit cross-border trading arrangements: Multi-Region Loose Volume Coupling, or MRLVC.
- In 2021 a cost-benefit analysis was carried out on behalf of the TSOs to assess different high-level design options of MRLVC; Preliminary Order Books and Common Order Books.
- Since then, the Specialised Committee on Energy instructed the TSOs to answer a series of technical questions to work out the feasibility and technical requirements of the MRLVC design set in the CBA.
- Timelines:
 - Draft report has been received by the TSOs, which was prepared by the consultant
 - TSOs are currently reviewing the report and will gather views from Ofgem, ACER and Uregni
 - Final report will be submitted to the SCE by 10 July
 - The SCE will meet at the end of the summer to set the next steps for MRLVC

6. TCA Working arrangements, Verbal Update

Tom Ireland, ESO

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 11 July	
Tuesday 8 August	
Tuesday 12 September	

9. Stakeholder Representation

All

10. AOB