

# Joint European Stakeholder Group



Tuesday 9 January 2024  
Meeting 77

# 1. Welcome & Introductions

Garth Graham – Independent Chair

# Agenda

|    | Title                               | Lead                         | Time          |
|----|-------------------------------------|------------------------------|---------------|
| 1. | Welcome & Introductions             | Chair                        | 10:00 - 10:05 |
| 2. | GC0154 update                       | Louise Trodden, ESO          | 10:05 - 10:10 |
| 3. | OHA update                          | Clare Mathews, ESO           | 10:10 - 10:20 |
| 4. | C16 update                          | Alice Beddow, ESO            | 10:20 - 10:25 |
| 5. | Interconnector Framework update     | Ruby Pelling, ESO            | 10:25 - 10:30 |
| 6. | Review of Actions log               | Andrew Hemus, Tech Secretary | 10:30 - 10:35 |
| 7. | Future Meeting Dates & Agenda Items | Andrew Hemus, Tech Secretary |               |
| 8. | Stakeholder Representation          | Chair                        |               |
| 9. | Any Other Business                  | All                          | 10:35 - 10:45 |

## **2. GC0154 update**

Louise Trodden, ESO

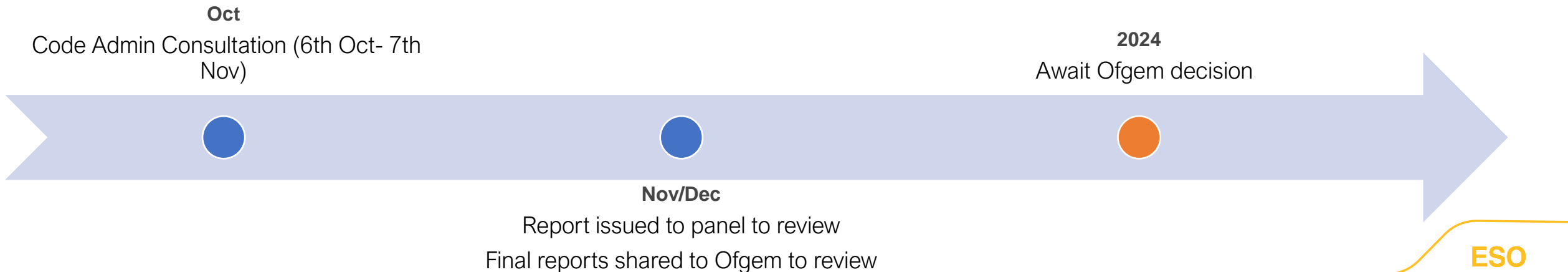
## Interconnector ramping update

- Code Administrator consultation had 11 responses: 8 interconnectors, 1 Generator, 1 EU TSO and 1 ESO  
Interconnector favour 100MW/min WACGM1 (status quo) and ESO favours 50MW/min max ramping as the original

Panel vote took place on the 14th December and voted majority of WACGM1

## High level timeline

- Orange dot represents where we are now
- Consultation/workgroup/panel vote material can be accessed from the [ESO website](#)
- We will update again when a decision from Ofgem is received



# 3. OHA update

Clare Matthews, ESO





# Overview of offshore hybrid assets (OHAs) and work to date

JESG 9 January 2024





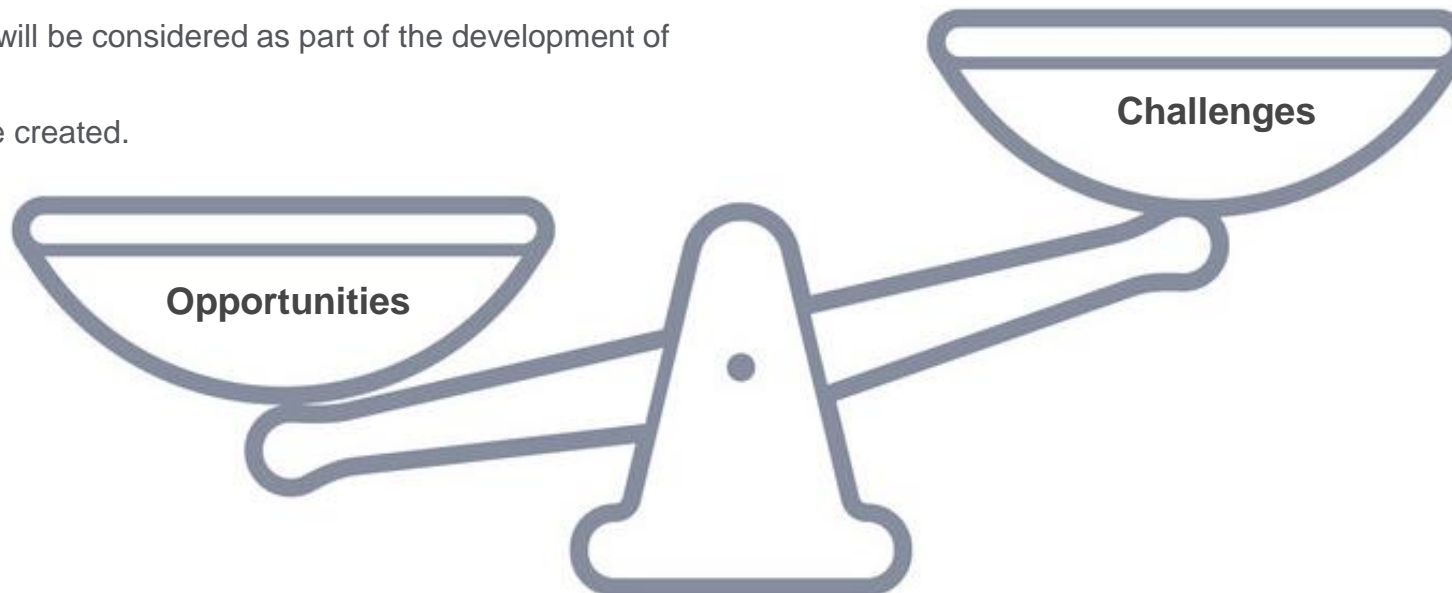
## What are offshore hybrid assets and why are they needed?

- Instead of individual wind farms connecting one by one to the shore, offshore hybrid assets (OHAs) will allow clusters of offshore wind farms to connect all in one go, plugging into the energy systems of neighbouring countries.
- There are two types of OHAs:
  - I. **Non-Standard Interconnector (NSI)**. This combines interconnectors with an offshore wind farm *outside* of Great Britain's waters.
  - II. **Multi-Purpose Interconnector (MPI)**. This combines interconnectors with an offshore wind farm *in* British waters.
- Ofgem redefined the names from MPIs to OHAs in 2023, to the above, to align with European terminology.
- Two pilot OHA projects should be operational by 2030. Learning from these projects will help shape the regulatory regime for OHAs.



# What are the opportunities and challenges with OHAs?

- More Offshore Hybrids Assets (OHAs) will help meet Government and net zero targets.
- They reduce the impact on coastal communities and the marine environment.
- OHAs will allow clusters of offshore wind farms to connect all in one go.
- They make maximum use of renewable energy that might otherwise be curtailed by providing routes to export at times of excess generation.
- OHAs are a topic that can begin new negotiations with Europe.
- Energy islands will be considered as part of the development of OHAs.
- New jobs will be created.
- The delivery of OHAs and energy islands can't be at the expense of communities and the environment.
- What works today must be fit for the future too.
- OHAs are just one of many workstreams that need to work together in an industry that evolves daily.
- We need European coordination.
- Nautilus and LionLink; they are the only projects working with the ESO so far... Is this a good benchmark/trail blazer?
- This is a new concept; things can go wrong! Are we prepared if they do?



# What are we currently doing to develop OHAs and tackle challenges?

- Last year, the OHA team within ESO, has been working with internal stakeholders, Ofgem, DESNZ and the wider industry to develop a framework to cover licensing regimes, compensation mechanism, market arrangements and operability.
- An OHA EU Engagement strategy is being developed internally by ESO, to ensure sure we are collaborating with relevant EU parties to drive OHA progress.

## Meet the ESO OHA team



**Manjinder Dhesi**  
Senior OHA Lead  
Operability lead



**Simona Schramel**  
Senior OHA Lead  
Licencing lead



**Bec Thornton**  
OHA Manager

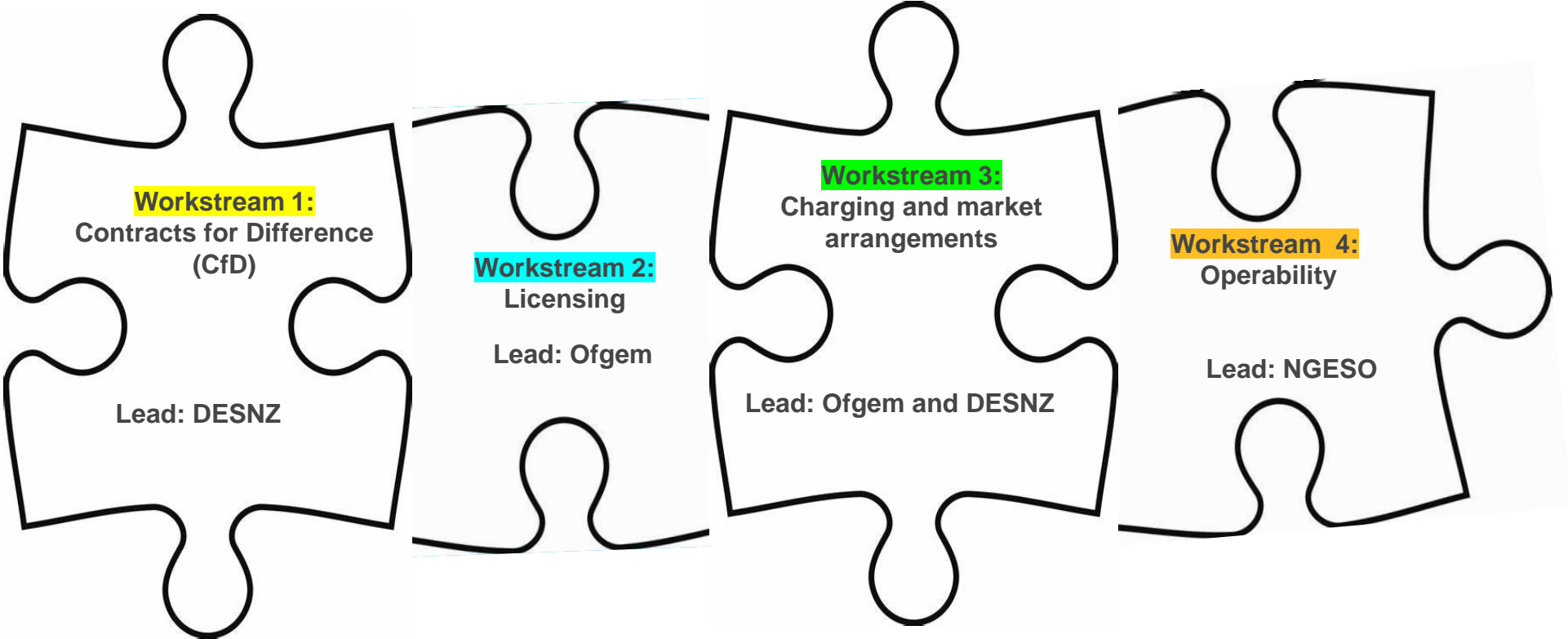


**Darshana Vedak**  
OHA Lead  
Contracts for  
Difference (CfD) lead

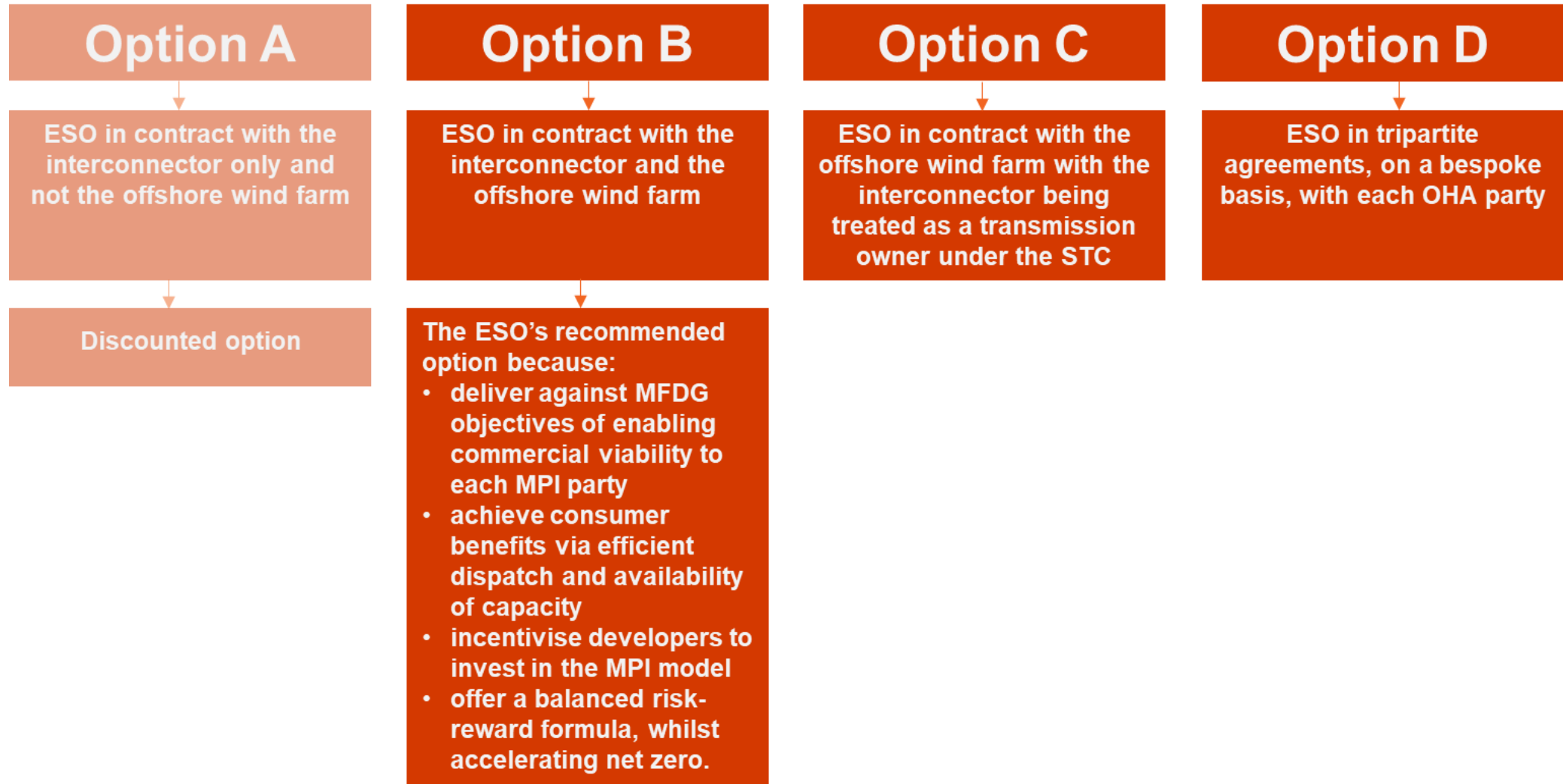


**Clare Matthews**  
OHA Lead  
OHA EU engagement  
lead

# The MPI Framework Discussion Group has four workstreams:



# Licensing & Contracting Overview





# Market arrangements overview

| Market Arrangements for Multi-Purpose Interconnectors |  |
|---|--|
| Publication date:                                     | 2 June 2023  |
| Response deadline:                                    | 14 July 2023   |
| Contacts:   | Bartosz Slota (Office of Gas and Electricity Markets) & Kevin Anaafi-Brown (Department for Energy Security and Net Zero)                     |
| Teams:  | Cross Border Market Arrangements (Office of Gas and Electricity Markets) & Electricity Trading (Department for Energy Security and Net Zero) |
| Email:  | CBMA@ofgem.gov.uk  |

We are consulting on market arrangements for Multi-Purpose Interconnectors (MPIs), in particular our views on the relative merits of both Home Market (HM) and Offshore Bidding Zone (OBZ) market configurations for these infrastructure projects. We welcome views from organisations and individuals with an interest in market arrangements for MPIs, as well as in cross-border trading arrangements and MPI development in general. We particularly welcome responses from MPI developers, offshore wind farms (OWFs) the GB system operator (NGESO), existing and future interconnectors, trade and other industry associations, wholesale electricity traders, power exchanges, consultancies, and European stakeholders (including, but not limited to, relevant ministries, regulatory authorities and system operators). We would also welcome responses from any other stakeholders and the public.

This document outlines the scope, purpose and questions of the consultation and how you can share your views. Once the consultation is closed, we will consider all responses. We will publish the non-confidential responses we receive alongside a decision on next steps on our website at [ofgem.gov.uk/consultations](https://www.ofgem.gov.uk/consultations). If you want your response – in whole or in part – to be considered confidential, please tell us in your response. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response. Please note that your responses will be shared with the Department for Energy Security and Net Zero since this is a joint consultation.

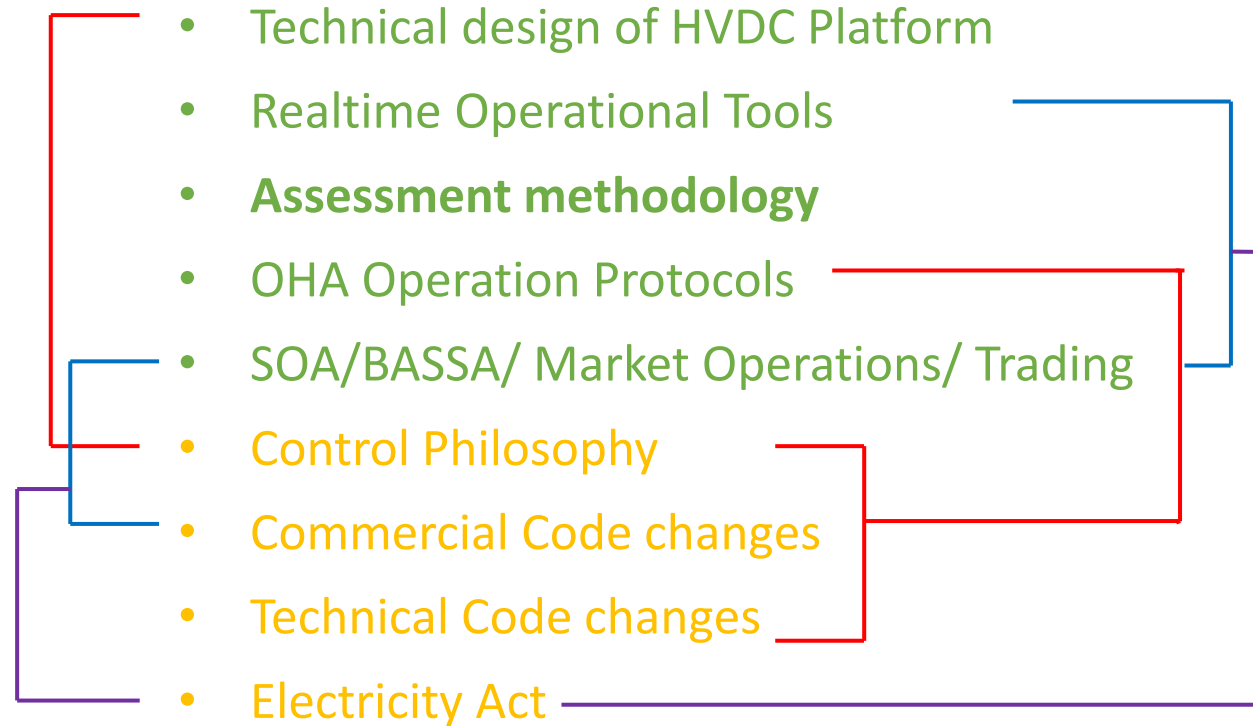
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**Figure 1: Table with bidding zone configurations and trading arrangements.**

|                                      |   |
|--------------------------------------|---|
| <b>1. Implicit trading &amp; OBZ</b> | <ul style="list-style-type: none"> <li>Combines the benefits of implicit trading (selling capacity on the interconnector and electricity together) and OBZ configuration (separate bidding zone created for the MPI and OWF(s)).</li> </ul> |
| <b>2. Implicit trading &amp; HM</b>  | <ul style="list-style-type: none"> <li>Captures the benefits of implicit trading, but inefficiencies and challenges of HM configuration (trade as part of domestic market zone) remain, influencing the overall design.</li> </ul>          |
| <b>3. Explicit trading &amp; HM</b>  | <ul style="list-style-type: none"> <li>A 'fallback arrangement' in the 'status quo' scenario where there is no implicit trading available. (post- EU-exit: capacity and electricity sold separately)</li> </ul>                             |
| <b>4. Explicit trading &amp; OBZ</b> | <ul style="list-style-type: none"> <li>Operational complexities and inefficiencies of explicit trading are potentially exacerbated under the OBZ configuration.</li> </ul>  |

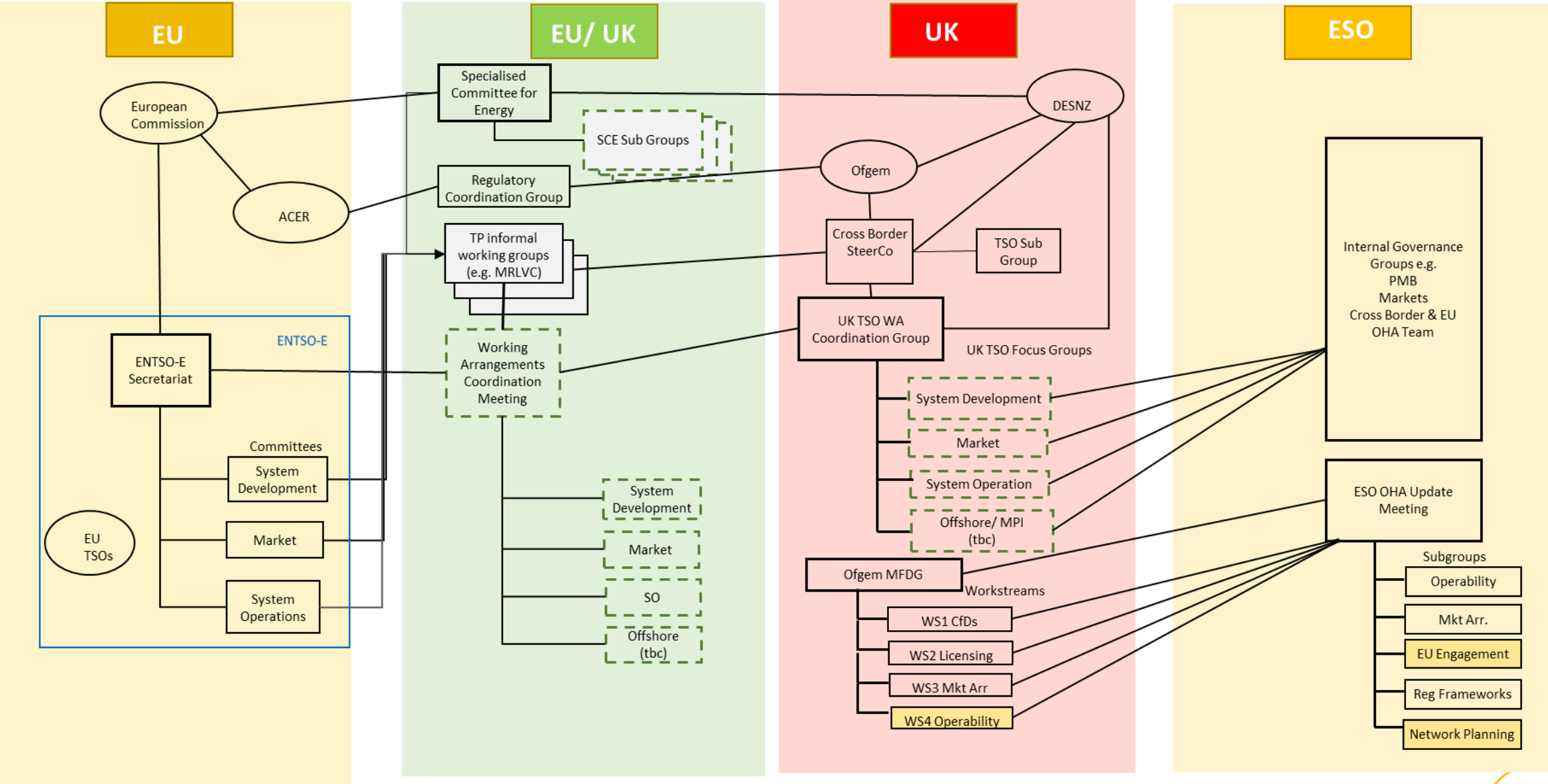
# Operability overview



Key:

- : Technical topics
- : Commercial topics
- : Outputs that would need to change, for example, the electricity act.
- : Planned focus groups
- : Focus groups that will be planned when outcomes from green groups have been reached

# Collaboration with Europe is essential



## Next steps

- Focus on the finalising the operability report content
- Focus on the licencing
- Progress with EU engagement strategy





# Questions

# 4. C16 update

Alice Beddow, ESO

# C16 Consultation Timeline 2024

We welcome industry's views on the proposed changes within our consultation.

*Standard Condition Licence C16 "Procurement and use of balancing services" sets out the obligation on the ESO to publish five statements addressing the procurement and use of balancing services. In accordance with C16 of its Transmission Licence, we are conducting our annual review of all licence statements.*

The informal stage of the C16 Annual Review process closed on 5<sup>th</sup> January; we are now reviewing industry responses.

We plan to launch the official industry consultation on **17<sup>th</sup> January**. Please respond by **5pm on 14<sup>th</sup> February**.

The consultation documents will be live on our [C16 web page](#) once launched.

If you would like to receive notification of future C16 events, consultations and updates, then please sign up to our [mailing list](#).

Any questions, please contact [balancingservices@nationalgrideso.com](mailto:balancingservices@nationalgrideso.com)

# 5. Interconnector Framework update

Ruby Pelling, ESO

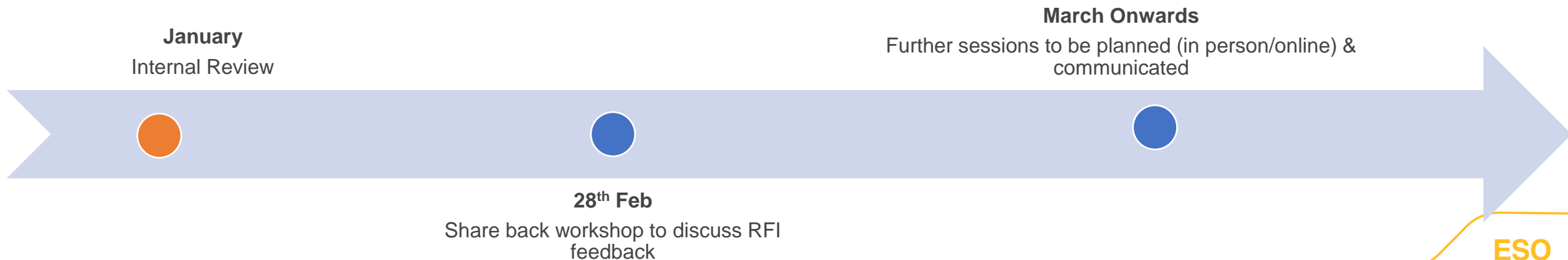


# Interconnector Framework RFI Update

The RFI has now closed. We received 11 responses – thank you to our stakeholders for your feedback.

## High level timeline of Next Steps

- Orange dot represents where we are now
- We will be hosting a workshop to review the summary of the responses and key themes identified within the first RFI.
- This is provisionally planned for the afternoon of **28th February 2024**. If you are interested in attending this session, please contact [ruby.pelling@nationalgrideso.com](mailto:ruby.pelling@nationalgrideso.com) or [alice.beddow@nationalgrideso.com](mailto:alice.beddow@nationalgrideso.com) or fill out the interest [registration form](#).
- Following this we will plan further workshops to discuss these areas with industry in more depth.
- The confirmed dates will be communicated in due course via the JESG newsletter and published on the ESO calendar.



# 6. Review of Actions log

Andrew Hemus  
JESG Technical Secretary

# JESG Standing items

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| 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

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| ID   | Topic   | Lead Party     | Status | Update  |
|------|---|----------------|--------|---|
| 13/8 | Update future JESG post GC0154 consultation with overview.  | Louise Trodden | Open   |   |
| 13/9 | EU Engagement including UK TSO WA coordination group.<br>i. Publication and transparency of agenda's, minutes.<br>ii. GB stakeholder feed in routes | Tom Ireland    | Open   | Awaiting the WA, update to be brought to future JESG. |

# 7. Future Meeting Dates & Agenda Items

Andrew Hemus  
JESG Technical Secretary

# Future JESG Meetings

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- 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 13 February |                       |
| Tuesday 12 March    |                       |
| Tuesday 9 April     |                       |



# 8. Stakeholder Representation

All

# 9. AOB