

UK TSO Voting Procedures for European Network Code Votes

February 2016

Please Note: This is a live document and therefore may be subject to change

Background

This paper summarises the 'UK internal' procedure required for the "All TSO" voting that will be required for the implementation of certain elements of the European Network Codes (ENCs) and Guidelines. Under the principles of 'All TSO' voting, all relevant TSOs, i.e. those UK TSOs that its Member State deem to be significantly impacted by a code element, will be entitled to a say in determining the overall UK vote on that element.

For the first six 'All TSO' votes, via the ENTSO-E Market Committee, in order for GB TSOs to feed in, an interim approach was developed in consultation, and agreement, with all GB TSOs. A Subgroup (to the GB TSO Regional Group¹) on ENC voting has been established and the first meeting was held on 10 August 2015.

Under the final arrangements within the Capacity Allocation and Congestion Management Electricity Guideline (CACM) it is up to the Member State to decide which of its TSOs are relevant for any of the 'All TSO' votes and how the voting powers will be apportioned amongst the TSOs.

- In September 2015, DECC and DETI published a joint letter inviting views on a proposal for how the voting may work for CACM decisions. The final proposals were confirmed on 28 October² and are shown in the annex.
- During summer 2015, Ofgem consulted³ upon who the relevant TSO are for the various votes, with a final confirmation being issued on 14 October 2015⁴.
- The Northern Ireland regulator (UR) followed a similar consultation process⁵ in regards to the identification of relevant TSOs for Northern Ireland.

Whilst this process is being specifically proposed for CACM decisions, it can be assumed that other decisions, and positions will be needed under other European Network Codes or Guidelines and the intention is, where possible, to apply the same process in those cases.

High Level Description of the proposed CACM All TSO Voting Procedure

The following commentary compliments the diagram in Annex 1, showing the proposed voting procedure.

- In line with the proposal contained within DECC and DETI's final decision letter, the UK vote will be issued as a block vote. It is proposed that voting will be coordinated

¹ <https://www.entsoe.eu/about-entso-e/system-operations/regional-groups/great-britain/Pages/default.aspx>

² <https://www.detini.gov.uk/publications/tso-voting-rights-under-eu-capacity-allocation-and-congestion-management-cacm-code>

³ <https://www.ofgem.gov.uk/publications-and-updates/consultation-ofgem-s-minded-decision-assign-transmission-system-operator-tso-obligations-under-capacity-allocation-and-congestion-management-regulation-cacm-regulation-within-gb>

⁴

https://www.ofgem.gov.uk/sites/default/files/docs/2015/10/mtso_decision_letter_and_annex_1_final_clean.pdf

⁵ http://www.uregni.gov.uk/uploads/publications/TSO_Obligations_under_CACM_Consultation.pdf

by the CACM & FCA Implementation Subgroup⁶ under the Joint European Stakeholder Group (JESG). National Grid Electricity Transmission (NGET) will then act as the Proxy for the UK at the ENTSO-E Market Committee meeting, reflecting the UK voting position decided upon.

- The trigger for the process will be notification from ENTSO-E to all relevant UK TSOs, directly (including Northern Ireland). It will take the form of either a direct email request and/or the circulation of meeting agenda with a voting item (i.e. the Market Committee). For the avoidance of doubt, the relevant TSOs may or may not be ENTSO-E Members. (NGET will also endeavour to reiterate the request via email to the relevant TSOs in accordance with Ofgem's and NI Regulator's list of relevant TSOs).
- As determined by DECC and DETI, all Relevant UK TSOs (including those based in Northern Ireland) will participate in the UK vote, however, it is recognised that prior to the vote, additional TSO discussions will occur on both a GB and an 'All Ireland' basis. NI TSOs will be invited to the CACM & FCA Implementation Subgroup.
- The key industry forum for votes will be the CACM & FCA Implementation Subgroup under the JESG and this group will act as the hub for all votes and positions to be taken to ENTSO-Es Market Committee. The Subgroup will be facilitated by NGET, who will also provide a Technical Secretary and a dedicated webpage under JESG⁷. The webpage will contain the following items:
 - Timetable for anticipated votes and positions, the dates for the respective Market Committees and the Relevant TSOs for each decision
 - A list of multiple lead contacts for all organisations involved.
 - Key dates such as the JESG and CACM & FCA Implementation Subgroup meetings
 - Proforma for UK TSO voting form
- NGET will also provide such information above to ENTSO-E to ensure that the Secretariat will accurately know which organisations, and individuals, will need to be contacted for each vote.
- The Technical Secretary will follow up the commencement of each vote or position requirement from ENTSO-E or the Market Committee with an email confirming the relevant details, such as timescales, name of NGET lead, contingency measures etc and provide a UK TSO voting pro-forma for each specific vote. TSOs will be requested to confirm receipt of the email.
- It should be noted that the existing GB TSO Regional Group will continue to operate in parallel with this process for all ENTSO-E Issues requiring TSO discussion, however, it is not anticipated that it will have any direct involvement with the voting process. Other Regional TSO Groups have been established, with the TSOs from multiple Member States being involved (e.g. the 'Heathrow Meetings').

⁶ <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/European-network-code/JESG-Subgroup---other-Stakeholder-groups/>

⁷ <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/European-network-code/Joint-European-Stakeholder-Group/>

- By the agreed date, all Relevant TSOs will submit, via email, their voting preference and/or requested views, to the NGET email account “europeancodes.electricity@national.grid.com”. The Technical Secretary of the JESG CACM & FCA Implementation Subgroup will be responsible for collating the votes and positions. If a Subgroup meeting is scheduled the results will be minuted in the Headline Report of the meeting and if no meeting is needed, the results will go directly to the Market Committee representative (and will be posted on the JESG website).
 - If a voting proxy form (Annex X) is not submitted, then the Technical Secretary will make reasonable efforts to contact the relevant TSO representatives. If they cannot be reached then an **abstention** would be assumed.
 - The individual votes will determine the overall UK position following the process agreed with DECC & DETI.
 - The outcome will be announced at, and recorded in the meeting, of the JESG CACM & FCA Implementation Subgroup. If no meeting occurs, a confirmation email will be circulated to all TSOs by the Technical Secretary.
- When the result is known, it will be communicated to the Market Committee Representative along with any associated detailed representations.
- NGET is currently in discussions with ENTSO-E to determine the most effective way to arrange for the Market Committee member to vote on behalf of all the UK TSOs, to avoid (or streamline) the necessity for the completion of individual proxy form for each TSO and each decision.
- The outcome from the Market Committee vote will be circulated by the ENTSO-E to all TSOs, as soon as practicable.
- Initial experience has shown that short notice voting/ collection of a UK position will be needed. In such cases, whilst the information should be sent to the TSOs directly by the Secretariat, NGET will follow this up by email as soon as is practicable, to ensure that it has been seen and the TSO should acknowledge they are aware of the imminent requirement to provide a position.

Next Steps

As outlined in DECC/ DETI's final confirmation letter, there is a requirement for this procedure to be confirmed:

“SONI and NGET will confirm with Ofgem, UR and industry participants the procedures they wish to use for administering a vote.”

This document has therefore been submitted to Ofgem and UR for comment and agreement of the procedure for vote administration. This document has been reviewed and agreed unanimously by all UK TSOs on December 2015 and finalised January 2016.

In addition, DECC/ DETI stipulated that:

“DECC and DETI will act jointly to amend the mechanism to address changes in circumstance or any issues that arise. Where possible, we will give notice of any changes and appropriate opportunities for interested parties to comment.”

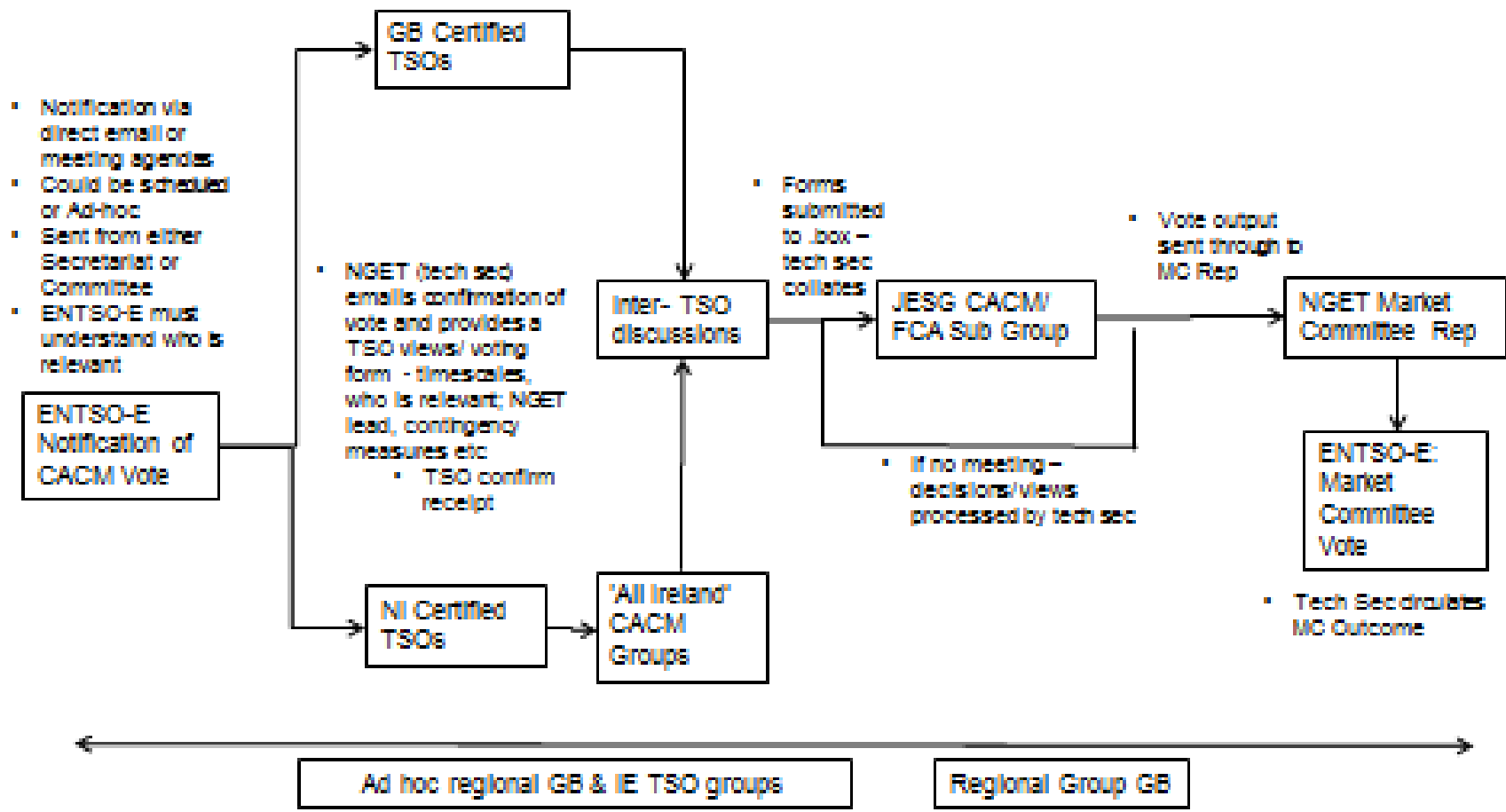
The UK TSOs recognise this and will work jointly with DECC/ DETI to resolve any future issues when/ if they occur.

Annex Final DECC/ DETI voting arrangements

1. The way in which the UK vote is to be exercised is agreed by at least 50% of those TSOs who:
 - a. have been allocated responsibility for a task under CACM; and
 - b. who participate in the vote to decide how the vote is to be exercised—abstentions will not be counted;Each TSO gets only one vote whether it has been allocated responsibility in GB, in Northern Ireland, or in both jurisdictions
- 2a) For decisions in which either SONI or NGET (which have system operator responsibilities in Northern Ireland and GB respectively) have been allocated responsibility under CACM, that organisation must be counted within the 50% or more of TSOs which agree, **OR**
- 2b) For decisions in which both SONI and NGET have been allocated responsibility under CACM, both of those organisations must be counted within the 50% or more of TSOs which agree.

The following conditions will apply:

- SONI and NGET will confirm with Ofgem, UR and industry participants the procedures they wish to use for administering a vote.
- The TSOs that will formally be engaged in making each decision will be different for different tasks under CACM. Ofgem and UR will set out the responsibilities of each TSO. A TSO will be formally engaged in determining the vote on each decision if the relevant regulator has specified that it has responsibility for that task under CACM.
- DECC and DETI will act jointly to amend the mechanism to address changes in circumstance or any issues that arise. Where possible, we will give notice of any changes and appropriate opportunities for interested parties to comment.
- We expect that TSOs will be able to reach agreement using this mechanism but will keep under review whether it is necessary to introduce a resolution mechanism.
- The exercise of voting rights under the UK mechanism will be a matter of public record so that stakeholders can be aware of the formal position that TSOs take in decisions. Formal voting will therefore be recorded and made public through the website of the Joint European Stakeholder Group.



Annex: Ofgem's list of responsible TSOs

https://www.ofgem.gov.uk/sites/default/files/docs/2015/03/annex_1_0.xlsx

Annex: Standard Proxy Form

Please note – Depending on the voting items, additional columns may be added for clarity.

[Grey part completed by NGET prior to circulation. TSO to complete remainder]

Summary description of vote	
Deadline for response on vote	[Including where to send response to and contingency measures]
Vote/ decision detail Text from ENTSOE plus commentary from NGET	[Including hyperlinks]
NGET lead and contact details for the vote & NGET subject matter experts	
Relevant TSOs for vote (tick all that apply)	<input type="checkbox"/> UK Offshore Transmission Owner <input type="checkbox"/> UK Onshore Transmission Operator <input type="checkbox"/> UK Interconnector Owner <input type="checkbox"/> UK System Operator
NGET view	
Name of TSO (including address)	

<p>Category of TSO (list possible types)</p>	<p><input type="checkbox"/> UK Offshore Transmission Owner</p> <p><input type="checkbox"/> UK Onshore Transmission Operator</p> <p><input type="checkbox"/> UK Interconnector Owner</p> <p><input type="checkbox"/> UK System Operator</p>
<p>Authorising person (& Title)</p>	
<p>Contact detail for author (name and number)</p>	
<p>Date</p>	
<p>Instruction to MC rep: Vote 1/ Decision 1</p>	
<p>Vote 2/ Decision 2</p>	
<p>Vote 3/ Decision 3 etc</p>	

[Deadline and where to send it and who to. .box and lead person]

Annex: Current expectations for CACM Decisions and Voting – (November 2015)

		Relevant TSOs involved from Ofgem decision;	Relevant NI TSOs from NIAUR decision;		For All TSO tasks, ENTSO-E is facilitating the delivery. This column identifies the relevant group.		1st approval is an informal TSO stage gate, normally to launch a public consultation or to agree upon a first complete draft.			Consultations as per CACM requirements.		2nd approval is the formal all TSO approval process outlined in CACM. After this approval the methodology is given to all NRAs			Submission deadlines from CACM
		highlighted where different between GB and SEM.					1st Approval					2nd Approval			
TASK	CACM Relevant article	UK TSOs involved (from Ofgem decision)	NI TSO obligations	Responsible in CACM GL	who will do the work/monitor in ENTSO-E		1st Approval by All TSOs of the draft	Nearest JESG date	Anticipated ENTSO-E MC meeting date	Consultation needed	Last date to start consultation	Approval by All TSOs of the final proposal	Nearest JESG date	Anticipated ENTSO-E MC meeting date	Last date for submission (from CACM)
European work															
Determination of capacity calculation regions	15(1)	I/C, SO	I/C, SO	All TSOs	MIWG	SG CCR	01/06/2015	20/10/2015	29/10/2015	Consultation	24/08/2015	29/10/2015	20/10/2015	29/10/2015	14/11/2015
Monitoring plan for Agency opinion	82(3)	-	-	ENTSO-E	MIWG	SG Monitoring	17/09/2015	20/10/2015	29/10/2015	NA	NA	15/12/2015	02/12/2015	15/12/2015	14/02/2016
List of information to be communicated by ENTSO-E to the Agency	82(4)	-	-	ACER in cooperation with ENTSO-E	MIWG	SG monitoring in co-operation with NCIPEG core team				NA	NA	15/12/2015	02/12/2015	15/12/2015	14/02/2016
Requirements for the Price Coupling & Continuous Matching Algorithm	37(1)	I/C, SO	I/C, SO	All TSOs	MIWG	SG DA, SG ID	29/11/2015	02/12/2015	15/12/2015	NA	NA	01/04/2016	30/03/2016	07/04/2016	14/04/2016
Generation and Load Data Provision Methodology	16(1)	SO	SO	All TSOs	SOC/ PT CGM	Follow up by MIWG	02/02/2016	26/01/2016	11/02/2016	Common consultation	14/02/2016	27/05/2016	25/05/2016	19/05/2016	14/06/2016
Common Grid Model Methodology	17(1)	I/C, SO	I/C, SO	All TSOs	SOC / PT CGM	Follow up by MIWG	02/02/2016	26/01/2016	11/02/2016		14/02/2016	27/05/2016	25/05/2016	19/05/2016	14/06/2016
Congestion Income Distribution Arrangements	73	I/C	I/C	All TSOs	CID PT	Follow up by MIWG	17/09/2015	20/10/2015	29/10/2015	NA	NA	01/07/2016	21/06/2016	19/05/2016	14/08/2016

Common set of requirements for price coupling & continuous matching algorithm	37(3)	I/C, SO	I/C, SO	All NEMOs supported by all TSOs	MIWG	SG DA, SG ID					NA	NA	01/09/2016		15/09/2016	14/09/2016	
													24/08/2016				
Methodology for scheduled exchanges	43(1),56(1)	I/C, SO	I/C, SO	TSOs which intend to calculate scheduled exchanges	MIWG /regional	MIWG proposes to have it at All TSOs level	01/04/2016	30/03/2016	07/04/2016	Common consultation		14/08/2016	01/11/2016		27/10/2016	14/12/2016	
Intraday Cross Zonal Gate Opening and Closure time	59(1)	I/C, SO	I/C, SO	All TSOs	MIWG	SG IDCZCOTGCT	01/04/2016	30/03/2016	07/04/2016			14/08/2016	01/11/2016	26/10/2016	27/10/2016	14/12/2016	
Day Ahead Firmness deadline	69	I/C, SO	I/C, SO	All TSOs	MIWG	SG DAFD	01/04/2016	30/03/2016	07/04/2016			14/08/2016	01/11/2016	26/10/2016	27/10/2016	14/12/2016	
Definition of Indicators for Biennial Report on capacity Calculation and allocation	31 (4)	I/C, SO	I/C, SO	All TSOs	MIWG	need ad hoc group to be created in autumn 2015	01/07/2016	21/06/2016	19/05/2016	NA	NA	01/12/2016		08/12/2016	01/12/2016		
													23/11/2016				
Publish List of entities to provide information & content of information & time schedules for provision of information (related to Generation and Load Data Prov meth)	16(6)	SO	SO	ENTSO-E	SOC/ PT CGM	Follow up by MIWG				NA	NA	SOC approval, if needed				14/02/2017	
Backup methodology	36(3)	I/C, SO	I/C, SO	NEMOs in cooperation with TSOs	MIWG	SG DA, SG ID	01/09/2016		15/09/2016	(Common consultation)		14/10/2016	01/01/2017		08/12/2016	14/02/2017	
								24/08/2016						13/12/2016			
Price coupling & continuous matching algorithm consultation and submission to NRAs	37(4)	I/C, SO	I/C, SO	All NEMOs supported (?) by all TSOs	MIWG	SG DA, SG ID	01/09/2016		15/09/2016			14/10/2016	01/01/2017		08/12/2016	14/02/2017	
								24/08/2016					13/12/2016				
Maximum and minimum prices	41(1),54(1)	I/C, SO	I/C, SO	All NEMOs in cooperation with all TSOs	MIWG	SG DA, SG ID	01/09/2016		15/09/2016		14/10/2016	01/01/2017		08/12/2016	14/02/2017		
								24/08/2016					13/12/2016				
Establishment of process for IGM merging	27(1)	I/C, SO	I/C, SO	All TSOs	SOC/ PT CGM	Follow up by MIWG				NA	NA	SOC approval				14/06/2017	

Biennial Report on Capacity Calculation and allocation (collection of data & writing report)	31	-	-	ENTSO-E	DICOG	Follow up by MIWG	01/02/2017	13/12/2016	08/12/2016	NA	NA	01/06/2017	13/12/2016	08/12/2016	14/08/2017
Intraday Capacity Pricing	55(3)	I/C	I/C	All TSOs	MIWG	need ad hoc group to be created	01/02/2017	13/12/2016	08/12/2016	C	14/04/2017	01/07/2017	13/12/2016	08/12/2016	14/08/2017
Triennial technical Report on BZ	34 (1)	-	-	ENTSO-E	extended BZ TF	Follow up by MIWG	After ACER request (max March 2018)			NA	NA	Depending on ACER request (max May 2018)			Depending on ACER request (at the latest on May 2018)
Harmonisation of redispatching and countertrading cost sharing methodologies across CCRs	74(7)	SO	SO	All TSOs	MIWG	Based on monitoring work by DICOG	September 2018 *draft proposal			NA	NA	01/12/2018	13/12/2016	08/12/2016	31/12/2018
Review of scheduled exchange methodology	43(4),56(4)	I/C, SO	I/C, SO	TSOs which intend to calculate scheduled exchanges	MIWG / regional	to be decided to have it on all TSOs level	February 2019 *draft proposal			NA	NA	01/05/2019	13/12/2016	08/12/2016	14/06/2019
Review of operation of Price Coupling Algorithm and Continuous Trading Matching Algorithm	37(6)	I/C, SO	I/C, SO	All TSOs and All NEMOs	MIWG	SG DA, SG ID	April 2019 *draft proposal			NA	NA	01/07/2019	13/12/2016	08/12/2016	14/06/2019

CCR Region work															
Yearly review and update capacity calculation parameters	27(4)	I/C, SO	I/C, SO	All TSOs of CCR	Regional work	Monitoring work by DICOG to start when CCR defined	No expected discussion at MC level			NA	NA	No needed			14/08/2016
Fall back	44	I/C, SO	I/C, SO	Each TSOs in cooperation with all TSOs of the CCR	Regional work	Monitoring work by DICOG	No expected discussion at MC level			C	01/10/2016	No needed			14/12/2016
Capacity Calculation Methodology	20(2)	I/C, SO	I/C, SO	All TSOs of CCR	Regional work	Monitoring work by DICOG to start when CCR defined	No expected discussion at MC level			01/11/2016	01/02/2017	No needed			14/03/2017

										NA	NA	No needed			14/08/2016
										C	01/10/2016	No needed			14/12/2016
										01/11/2016	01/02/2017	No needed			14/03/2017

Common framework for coordination and compatibility of flow based methodology across regions	20(2)	-	-	4 CCRs (NWE, CEE, ITnorth bord, SEE)	MIWG or CCRs with FB?	to be decided if to have it on all TSOs level	No expected discussion at MC level
Yearly review and update capacity calculation parameters	27(4)	I/C, SO	I/C, SO	All TSOs of CCR	Regional work	Monitoring work by DICOG to start when CCR defined	No expected discussion at MC level
Redispatching methodology	35(1)	SO	SO	All TSOs of CCR	Regional work	Monitoring work by DICOG when CCRs approved	No expected discussion at MC level
Redispatching cost sharing methodology	74	SO	SO	All TSOs of CCR	Regional work	Monitoring work by DICOG when CCRs approved	No expected discussion at MC level
Establishment of a Coordinated Capacity Calculator	27(2)	I/C, SO	I/C, SO	All TSOs of CCR	Regional work	Follow up by MIWG	No expected discussion at MC level
Report assessing the progressive coordination and harmonisation of RD and CT mechanisms and agreements	35(3)	SO	SO	All TSOs of CCR	Regional work	Monitoring work by DICOG in a later stage	No expected discussion at MC level
Yearly review and update capacity calculation parameters	27(4)	I/C, SO	I/C, SO	All TSOs of CCR	Regional work	Monitoring work by DICOG to start when CCR defined	No expected discussion at MC level

	C?	01/02/2017	No needed
	NA	NA	No needed
	01/05/2017	01/06/2017	No needed
	NA	NA	No needed
	NA	NA	No needed
	C	01/05/2018	No needed
	NA	NA	No needed

	14/03/2017
	14/08/2017
	14/09/2017
	14/09/2017
	14/01/2018
	14/07/2018
	14/08/2018

Relevant parties							
Arrangements for interconnectors not operated by certified TSOs currently	45(2), 57(2)	I/C	I/C, SO	TSOs in co-operation with relevant TSOs, NEMOs and interconnector operators	NA		

	At earliest 14 December 2015
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Arrangements for more than one NEMO in one bidding zone or new interconnectors	45(2), 57(2)	I/C	I/C, SO	TSOs in co-operation with relevant TSOs, NEMOs	NA									At earliest 14 April 2016
Complementary regional auctions	63	I/C	I/C, SO	NEMOS and TSO per bidding zone border	NA	MIWG?	No expected discussion at MC level		C	01/12/2016	No needed			14/02/2017