

## **DECC-OFGEM EUROPEAN ELECTRICITY STAKEHOLDER GROUP**

**9<sup>th</sup> Meeting – Thursday 31<sup>st</sup> October 2013 14:30- 17:00**

**Conference Room 9, 9 Millbank, London, SW1P 3GE**

**Chair: Rob Mills**

### **Minutes**

**[Please note: the running order of the draft agenda was amended at the start of the meeting to accommodate those who had to leave early.]**

#### **1. Follow up from 8<sup>th</sup> meeting**

- 1.1.** Although it was originally intended to discuss the Autumn Package at this meeting, Rob Mills (Ofgem) informed the group that the Package has still not been released, and therefore will be discussed at the next meeting.

#### **2. European Code Coordination Application Forum (ECCAF)**

- 2.1.** Ian Pashley (National Grid) delivered a [presentation](#) to the group on the role of ECCAF and its position within the broader framework of stakeholder engagement. Ian highlighted the link between ECCAF and the DECC-Ofgem Stakeholder Group for Electricity, and proposed an expanded scope for the DECC-Ofgem group so as to avoid overlap with ECCAF, adding that the DECC-Ofgem group's ToR may benefit from review. **Action on Ofgem to update the ToR.**
- 2.2.** Stakeholders suggested that they would like detailed headlines or minutes from ECCAF meetings to feed into DECC/Ofgem stakeholder group meetings. Using the example of the Requirements for Generators (RfG) code, Garth Graham (SSE) raised the possibility of writing new GB codes as an alternative to amending GB codes to meet the requirements of EU network codes. In the example of the RfG, amending the current code could lead to confusion over the application of the code to existing and new generators, whereas a new code could be applied solely to new generation capacity. Ian Pashley informed the group that this could be discussed at the next ECCAF meeting. Reuben Aitken (Ofgem) added that Ofgem would be happy to receive the outcome of these discussions at the next DECC-Ofgem stakeholder group meeting.

#### **3. Comitology Update**

- 3.1.** Sue Harrison (DECC) provided an update from the electricity codes currently in the comitology process. Revised texts have still not been provided for the Capacity Allocation and Congestion Management (CACM) and RfG codes, with dates remaining uncertain. The Commission have indicated that they consider around 95% of the substance of the codes is settled. However, the remaining 5% will likely be the most difficult parts to agree. The European Commission is operating an 'open-door' policy for member states to raise concerns over aspects of the codes.
- 3.2.** Barbara Vest (Energy UK) suggested that JESG may be a convenient platform for stakeholders to feed their concerns through DECC and into the Commission, considering DECC's attendance at the JESG.

### **3.3. Action on Sue Harrison to circulate a revised timeline from the Commission on codes in comitology.**

## **4. Electricity Balancing (EB)**

- 4.1. William Webster (RWE) provided an update on the EB code following a new draft of the code made public on the 16<sup>th</sup> October, and a stakeholder workshop run by ENTSO-E on the 23<sup>rd</sup> October.
- 4.2. The document has not changed significantly, though more detail has been provided, for example, on the definition of 'balance responsible'. A number of key issues remain though, including: (i) the decision of pay as cleared vs. pay as bid for pricing balancing energy; (ii) the plan to employ Coordinated Balancing Areas (COBAs) may not be as simple as the code envisages due to significantly differing market designs between states; (iii) methods for reserving cross border capacity; and (iv) the treatment of pre-contracted reserves.
- 4.3. However, Grendon Thompson (Ofgem) reminded the group that there is still scope for influencing the code through ACER via Ofgem.
- 4.4. William Webster also noted that the Commission will likely look closely at the central dispatch parts of the code to ensure that these fit with the framework guidelines.
- 4.5. Pilot projects for balancing are now under development by European TSOs and discussions are taking place with stakeholders through AESAG.

## **5. Requirements for Generators (RfG)**

- 5.1. Mark Askew (Ofgem) distributed a [table](#) highlighting the key areas of the KEMA report on RfG. Stakeholders were asked to send any comments on the table to Mark Askew ([mark.askew@ofgem.gov.uk](mailto:mark.askew@ofgem.gov.uk)) by COB Wednesday 5<sup>th</sup> November.

## **6. Forwards Capacity Allocation (FCA)**

- 6.1. Evridiki Kaliakatsou (Ofgem) provided the group with a [summary](#) from the DECC-Ofgem Prioritisation Workshop for the FCA Network Code.
- 6.2. Stakeholders are encouraged to send any comments or further issues with the network code to both Ofgem ([Evridiki.kaliakatsou@ofgem.gov.uk](mailto:Evridiki.kaliakatsou@ofgem.gov.uk) & [Daniel.tattersall@ofgem.gov.uk](mailto:Daniel.tattersall@ofgem.gov.uk)) and DECC ([jonathan.robinson@decc.gsi.gov.uk](mailto:jonathan.robinson@decc.gsi.gov.uk) & [will.francis@decc.gsi.gov.uk](mailto:will.francis@decc.gsi.gov.uk)). It would be best to provide these comments with evidence and examples if possible to facilitate a stronger argument at ACER.

## **7. Load Frequency Control and Reserves (LFCR)**

- 7.1. Garth Graham (SSE) presented a [summary](#) of the ACER opinion on LFCR, focusing in particular on the changes to articles 7 and 8 concerning national scrutiny. Garth Graham and William Webster agreed that this is a positive step to improving a previously opaque process.

## **8. ACER Network Code Amendment Procedures**

- 8.1. Garth Graham delivered a [presentation](#) to the group on ACER's procedures for amendment of network codes. In summary there are two mechanisms through which ACER will propose amendments to NCs: (i) an 'ad-hoc' mechanism, for proposals seen as urgent, and (ii) a 'periodic' mechanism, via a five yearly review for non-urgent proposals. Stakeholders were concerned that (i) the document may give

ENTSO-E too much influence in the process; (ii) that the guidance should have been subject to public consultation; and (iii) that the time allocated to consult on amendment proposals will be too short considering stakeholders have 5 years in which to make proposals.

- 8.2. Joseph Gildea (Ofgem) reminded the group that the consultation period is a *minimum* of 4 weeks, and that stakeholders can still feed comments into ACER through Ofgem. Rob Mills (Ofgem) also noted that while the ACER NC amendment procedures may have shortcomings, it does provide a route that is additional to the standard inter-Governmental process for amending EU legislation.

## 9. AOB

- 9.1. Rob Mills asked if the stakeholder group would like one page definitions of network codes for future meetings, but it was agreed that National Grid's collection of documents would be sufficient to save duplicated effort.
- 9.2. Barbara Vest raised concern over the fact that stakeholders had not been consulted on ACER's opinion on allowable generator transmission charges [set by EU Reg 838/2010], which may in turn impact the Generation:Demand (G:D) split.
- 9.3. **Action on Garth Graham to send Rob a letter outlining stakeholder concerns on generator transmission charges.**
- 9.4. Rob Mills said that Ofgem will identify who stakeholders should contact on this issue. Stakeholders should note that Donald Smith is the relevant contact at Ofgem ([donald.smith@ofgem.gov.uk](mailto:donald.smith@ofgem.gov.uk)).

### Provisional dates for 2014

- January 23<sup>rd</sup>
- April 21<sup>st</sup>
- July 7<sup>th</sup>
- September 29<sup>th</sup>
- December 8<sup>th</sup>

Participant	Organisation
Olaf Islei	APX Group
Lorcan Murray	Britned
Adam Boorman	Cornwall Energy
Aisling Gilchrist	DECC
Fiona Navesey	DECC, JESG
Steve Davies	DECC
Sue Harrison	DECC
Will Francis	DECC
Joyce Rutherford	DETI
John Costa	EDF Energy
Barbara Vest	Energy UK
Esther Sutton	E.ON
Felicity Bush	ESB
Stephen Powell	Freelance Consultant

Ian Pashley	National Grid
Clémence Marcelis	Ofgem
Daniel Tattersall	Ofgem
Evridiki Kaliakatsou	Ofgem
Feodora von Franz	Ofgem
Grendon Thompson	Ofgem
James Earl	Ofgem
Joseph Gildea	Ofgem
Mark Askew	Ofgem
Peter Hicks	Ofgem
Reuben Aitken	Ofgem
Rob Mills	Ofgem
Zoltan Zavody	Renewable UK
William Webster	RWE
Jeremy Gummow	RWEnPower
Ana Rodriguez Lizana	Scottish Power
Brian Galloway	Scottish Power
Joanna Alexander	Smartest Energy
Garth Graham	SSE