

DECC-Ofgem European Stakeholder Group for Electricity  
Ofgem Premises – 23<sup>rd</sup> January, 14:30-17:00  
Chair: Sue Harrison (DECC)

Minutes

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**1. Welcome and follow up from 9<sup>th</sup> meeting**

- a. Mark Copley was introduced as the new Associate Partner in European Wholesale Markets at Ofgem.
- b. The actions from the previous meeting were addressed.
  - i. Update ToR – this has been done and is discussed under item **3**.
  - ii. Circulate revised timeline from Commission on codes in Comitology – This was not done, though in reality these timelines are often very inaccurate. If the Commission releases a new timeline at the meeting Sue Harrison is attending on Tuesday, then it will be distributed to stakeholders.
  - iii. Garth Graham to send Rob Mills letter outlining stakeholder concerns on generator transmission charges – this letter came from EnergyUK, and is discussed under item **4**.
  - iv. Stakeholders indicated that they would like headlines from the first ECCAF meeting; this is discussed under item **2**.

**2. Update from first ECCAF meeting**

- a. Rob Wilson (National Grid) delivered a [presentation](#) summarising the first meeting of the European Code Coordination Application Forum, a body that advises the GB code panels on European code matters, but has no decision making powers.
- b. One of the key challenges that ECCAF will face is finding a method for applying EU code changes to GB codes. Currently there are two quite different options: the ‘omnicode’ option and the ‘using existing codes and processes’ option. Some stakeholders noted that if the omnicode option wasn’t adopted then comfort on the governance arrangements for the grid code would be sought.

**3. 1st Re-draft of Group Terms of Reference (Ofgem and DECC)**

- a. The stakeholder group’s Terms of Reference have been redrafted to bring them up to date and reflect the changes in other electricity stakeholder fora – namely the development of JESG and ECCAF.
- b. A key aspect to note is that the ToR sets out the stakeholder group as a place where high level discussion on European infrastructure (as well as market) policy initiatives can take place (discussion of specific PCIs is not envisioned).
- c. It would be helpful to expand the acronyms within the document.
- d. A question arose over whether Transparency Regulation and REMIT should be included within the scope of the group. Feedback on this was invited.
- e. Stakeholders are invited to send further comments on the ToR to [daniel.tattersall@ofgem.gov.uk](mailto:daniel.tattersall@ofgem.gov.uk) and [will.francis@decc.gsi.gov.uk](mailto:will.francis@decc.gsi.gov.uk) by February 14<sup>th</sup>.

#### **4. Follow up on letter detailing stakeholder concerns over generator transmission charges (SSE)**

- a. After the 9<sup>th</sup> Stakeholder meeting a letter was sent to Rob Mills (Ofgem) by Barbara Vest (EnergyUK) detailing stakeholder concerns over the generator transmission charge ranges set by EU regulation 838/2010, requesting an industry consultation on the subject.
- b. Garth Graham (SSE) delivered a [presentation](#) highlighting the key aspects of this letter and the reasons for why EnergyUK would like a consultation.
- c. Even though the Agency for the Cooperation of Energy Regulators (ACER) has postponed the submission of its opinion on the appropriate charge ranges from January to April, Ofgem still feels this is too short a time period to conduct an effective formal consultation. However there may still be opportunity for Ofgem to feed into the development of ACER's opinion. Ofgem is therefore keen to understand stakeholders' views on how it should seek to influence ACER's opinion, but believes this would be most effectively done via less formal lines of communication.
- d. **Action on Barbara Vest (EnergyUK) to gather views from EnergyUK members and relay these to Ofgem, and to coordinate with Zoltan Zavody (RenewableUK) to gain the views of RenewableUK members.**

#### **5. Requirements for Generators – new informal draft code**

- a. Rob Wilson (National Grid) delivered a [presentation](#) setting out, according to National Grid, the key changes that have occurred within the latest draft of the RfG NC.
- b. Stakeholders are invited to send their comments to DECC, along with their own redraft of how they feel the part of the code should be written, so as to make the negotiation process more productive for the UK.
- c. Steve Davies (DECC) added that there will be DECC/Ofgem stakeholder workshop on RfG on the 4<sup>th</sup> February.

#### **6. Capacity Allocation and Congestion Management – stakeholder workshop and latest informal draft code**

- a. Peter Hicks (Ofgem) provided an update of the outcome of the 17/12/13 CACM prioritisation workshop, where stakeholders' main priorities were: 1) governance, 2) bidding zone reviews, 3) treatment of multiple TSOs and 4) (in)consistencies of definition.
- b. The latest draft of the CACM code (14<sup>th</sup> January) is evolutionary following comitology sessions to date. It contains few substantive changes and will be subject to further changes.

#### **7. High Voltage Direct Current - Report from stakeholder issues workshop**

- a. Garth Graham delivered a [presentation](#) on the HVDC stakeholder issues workshop, run by JESG.
- b. There are a number of HVDC-specific issues, and a number present across multiple network codes that also arise in HVDC. Details of these can be found in the [HVDC issues log](#).

## **8. Balancing - update from prioritisation workshop**

- a. Grendon Thompson (Ofgem) gave an update from the Balancing prioritisation workshop, which took place on the 23<sup>rd</sup> January.
- b. The main concerns voiced by stakeholders, which they would like Ofgem and DECC to take to ACER during their Reasoned Opinion process and can inform the UK's comitology position, are: lack of NRA approval and transparency over methodologies, issues over how the EU code will fit with existing balancing governance arrangements, unclear text wording and appropriateness of DSO cost arrangements.

## **9. Comitology update**

- a. Sue Harrison (DECC) provided an update from the comitology process.
- b. The Commission have provided informal text on CACM and RfG. No formal proposals have yet been presented to Member States.
- c. With regard to CACM, issues coming to the fore are that decision-making processes and competition between power exchanges – which is looking especially difficult to resolve.
- d. Stakeholders voiced concern over the potential formal role of ENTSO-E. DECC clarified that, save for a few exceptions e.g. on reporting, the current text puts obligations are on 'all TSOs' rather than ENTSoE.

## **10. European policy developments**

- a. Sue Harrison (DECC) also provided an update on European policy developments.
- b. 2014 is to be a busy year in Europe. The new Greek Council Presidency has prioritised, amongst other things, the communication on climate change 2030 climate and energy goals, which includes a target of a 40% reduction in greenhouse gases on 1990 levels, EU wide renewables targets, and shale recommendations. There will also be significant political hiatus at the time of the European Parliament elections in May.
- c. Stakeholders were interested to receive the Bridge to 2025 Green Paper when it is released.
- d. Action on Ofgem to put a discussion of the Bridge to 2025 on the next stakeholder agenda.

## **11. AOB**

- a. A question was asked about whether discussions at ACER level on electricity charging/tariffs could result in a Network Code. ACER have prioritised drawing up Framework Guidelines for harmonised tariff structures for electricity in their 2014 work programme, and it is expected that these will lead to a Network Code. However at this current time there is no more specific information.

## Attendance List

Felicity Bush	ESB
Mike Kay	ENWL
Rupert Goodman	CMS Cameron McKenna
Robert Wilson	National Grid
Garth Graham	SSE
Will Francis	DECC
Sue Harrison	DECC
Fiona Navesey	DECC
Damian Bach	BritNed
Chuan Zhang (dial in)	The Crown Estate
Steve Wilkin	Elexon
Steve Davies	DECC
Louise Dalton	CMS Cameron McKenna
Bill Stevenson (dial in)	Department of Enterprise, Trade and Investment
Brian Galloway	Scottish Power
Carole Hook	National Grid
Stephen Powell	Consultant
Olaf Islei	APX Group
John Costa	EDF Energy
Natalie McCurry (dial in)	Uregni
Esther Sutton	E.ON
Zoltan Zavody	RenewableUK
Abid Sheikh	Ofgem
Rob Mills	Ofgem
Mark Copley	Ofgem
Daniel Tattersall	Ofgem
Natasha Smith	Ofgem
Liz McLeod	Ofgem
Rupika Madhura	Ofgem
Reuben Aitken	Ofgem
Julian Wayne	Ofgem
Jonathan Whiting	Ofgem
Joseph Gildea	Ofgem
Grendon Thompson	Ofgem
Peter Hicks	Ofgem
Donald Smith	Ofgem
Anthony Mungall	Ofgem