

# DECC-Ofgem European Stakeholder Group for Electricity

Wednesday 3<sup>rd</sup> December 2014, 13:00 – 15:00  
Elexon – 4<sup>th</sup> Floor, 350 Euston Road, London NW1 3AW  
Minutes  
Chair: Sue Harrison (DECC)

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## **Housekeeping:**

### Actions from the last meeting were:

1. DECC to provide an up-date on what would happen if the court overturned the state aid decision on Hinckley Point.
  - a. Sue Harrison (DECC) explained that they are expecting a legal challenge from the Austrian government but DECC are confident that it will not be successful as the Commission decision was taken on solid grounds. However if the challenge was successful then the Commission would have to look at the decision again. A legal challenge could take several years.

### Florence Forum update – Sue Harrison – DECC:

- The Commission was pleased with the progress made on the CACM text. However it highlighted parties should make all possible efforts to overcome the remaining issues in developing a common platform for intraday market coupling and to proceed with the signing of the procurement contract accompanied by a clear and ambitious timeline for implementation by the end of February next year.
- There was much discussion over Balancing, which is expected to be difficult to harmonise. There were calls for more progress and to evaluate solutions which enable a faster integration of balancing markets (for example harmonisation of existing balancing systems) considering on the one hand the increased importance of integrated short-term markets and on the other hand the specific relevance of balancing for system security.
- It is clear Demand Side Response will be an important topic of 2015.

### Update on new Commission and Energy Union concept – Sue

- Sue Harrison (DECC) provided an update on the new Commission, which has a different structure than before with Commissioners working together under a small number of Vice Presidents.
- The Energy Union concept is still poorly defined, but Commissioner Cañete has discussed it in recent speeches. It rests on five pillars: Security of Supply; The Internal Energy Market; Reduction of Demand; Decarbonisation of the Energy Mix and Research and Innovation. A Communication is due to be published in January/ February and is expected to provide more detail. The most controversial proposal seems to be the idea of collective gas buying and solidarity mechanisms.

### Transparency Regulation

- Alex Haffner (National Grid) provided an overview of the Transparency Regulation, timelines for implementation and compliance and how stakeholders can engage in the process. See slides for further information.
- **January 5<sup>th</sup> is when the Transparency Regulation will apply from,** and questions centred on the development of the IS systems involved. Due to delays in the NG IS, there are fewer available system testing days. National Grid is confident that the systems will be working successfully in time, and if not there is a back-up system in place.
- Mark Copley (Ofgem) emphasised the need to hit deadlines. Therefore suppliers need to be ready to submit their data and National Grid need to have a functional system ready.

### ENC Implementation steering group

- The terms of reference for the new ENC Implementation Steering Group were distributed with meeting dates for 2015.
- Natasha Smith (Ofgem) explained the purpose of the group is to oversee and coordinate the implementation of electricity European Network Codes and Guidelines.
- The group was largely welcomed by stakeholders, but it was recommended to adjust the proposed meeting dates for 2015, so they are closer to JESG and ECCAF meetings.
- It was agreed there will be an update from the Steering Group at the next JESG.

### CACM Comitology Update

- Sue Harrison (DECC) updated on progress of CACM and said the main remaining issues were: NEMO designation, passporting, exemptions for legal monopolies, reciprocity clauses, bidding zone reviews and voting amongst TSOs and NEMOs. Sue suggested the text is looking much better and is confident that a text will be agreed on 5<sup>th</sup> December.
  - o The text was duly approved on the 5<sup>th</sup> of December.

### ACER Tariffs NC – update on consultancy work

- Jack Robinson (Ofgem) reported that ACER is commissioning a report by consultants to assess whether there is a case for further action on electricity tariffs. This report should commence at the beginning of next year. Ofgem expects ACER to invite stakeholders to comment on the consultant's initial conclusions.
- At the moment, ACER has scheduled to provide the Commission with a recommendation on what, if any, further action is required. This scoping work should be done by the end of 2015.
- Once this is complete, NRAs will be in a better position to know whether there is likely to be an NC or not.
- Any further questions should be directed to [David.Freed@ofgem.gov.uk](mailto:David.Freed@ofgem.gov.uk)

### **14:50 AOB – 10 minutes**

Dates for 2015

19/02

28/04

29/07

20/10

**Attendees:**

Tom	Selby	NGET
Garth	Graham	SSE
Natasha	Smith	Ofgem
Steve	Wilkin	Ellexon
Stephen	Powell	CER
John	Costa	EDF Energy
Simon	Reid	Scottish Power
Marta	Krajewska	Energy UK
Paul	Wakeley	NGET
James	Anderson	Scottish Power
Hazell	Gulliver	Scottish Power
Helen	Stack	Centrica
David	Spillett	ENA
Paola	Lualdi	Pöyry
Richard	Sarti	Nord Pool Spot
Michela	Beltracchi	Nord Pool Spot
Jack	Robinson	Ofgem
Mark	Copley	Ofgem
Alex	Haffner	NGET
Sue	Harrison	DECC
Julian	Rudd	DECC
Olaf	Islei	APX

Kilian	McConnell	CMS
Steve	Mockford	UK Power Networks
Feodora	von Franz	Ofgem
Mike	Kay	ENWL