

## **Distribution Code Review Panel**

**Meeting 63 – 9 March 2017**

### **Project Terre – Update**

Paper by Code Administrator

Project TERRE (Trans-European Replacement Reserves Exchange) is an advance implementation project that forms part of the implementation of the European Electricity Balancing Guideline (EB GL). Project TERRE aims to harmonise the Transmission System Operator (TSO) dispatch of Replacement Reserve (RR) across several TSO areas (Great Britain, France, Switzerland, Spain, Portugal and Italy - Ireland and Greece are currently observers). It will do this by introducing a common TERRE product, which would be akin to products such as Balancing and Settlement Code (BSC) Bid-Offers or Short Term Operating Reserve (STOR) submissions.

National Grid is expecting to utilise RR Products for energy balancing in GB from TERRE go-live, which is currently scheduled for Q3 2018. As all current GB balancing products feed into the BSC calculations of imbalance prices and volumes, the Proposer considers that the relevant RR acceptances should do so too, as soon as they start to be used as part of GB balancing. This will require changes to the GB market arrangements (BSC and/or balancing services arrangements).

TERRE has an identified impact on the BSC and Grid Code. Workgroups under the Panel governance of these codes are already joint-working to ensure a consistent implement approach and to mitigate crosscode impacts and duplication. The two workgroups are GC 0097 (Grid Code) and P344 (BSC).

The objectives of GC0097 is to consider the Grid Code impacts of TERRE and manage any necessary modifications. The objectives of P344 is to align the Balancing and Settlement Code (BSC) with TERRE.

The GB implementation of TERRE is focusing on three aspects:

- 1) The coordination between the GB TSO and the TERRE Central Platform
- 2) The trading and settlement for participation in TERRE
- 3) The facilitation of participation of GB parties, including dispatch, by the GB TSO in coordination with the TERRE Central Platform.

The final aspect (3) will be the focus of GC0097, in coordination with BSC workgroup P344 for item 2, and National Grid System Operator in coordination with the TERRE Central project.

Specifically, GC0097 will investigate how and if the existing Grid Code Balancing Code (BC1-3) sections which facilitate the Balancing Mechanism process can be duplicated for use in TERRE. The group will also consider how to deploy market facilitation processes for TERRE to permit parties not currently bound by Grid Code requirements; potentially in coordination with the Distribution Code or perhaps via a commercial contractual route.

GC0097 will use the TERRE GB Impact Assessment to understand existing Grid Code processes flagged as being affected, or with potential to be replicated for use, in implementing TERRE. This is

expected to primarily consist of the Balancing Code (BC) section of the Grid Code, namely BC1-3, but could also refer to the OCs regarding Electronic Dispatch. The workgroup will also consider what changes are needed to facilitate the participation of parties not currently bound by Grid Code or existing Balancing Mechanism process. This may need coordination with the Distribution Code as project TERRE provides additional market opportunities to potential Balancing Services Providers of +/-1MW capacity.

## **Current Status**

The GC0097 Workgroup has only recently commenced with maybe one or two meetings and the workgroup are currently assessing the modification proposal and will submit recommendations to the GCRP. DNOs are represented on the workgroup. Further details of the work of GC0097 can be found [here](#).

The P344 Workgroup has so far held twelve meetings in the P344 Assessment Procedure. The next step is for the first of two Industry consultations, with the first consulting on the high level solution to P344 that the Workgroup has devised. The purpose of this first P344 Assessment Procedure Consultation is to invite BSC Parties and other interested parties to provide their initial views on the high level solution principles that have been developed by the Workgroup to BSC Modification P344. The P344 Workgroup will then discuss the Consultation responses, before a second round of Industry Consultation that will cover the P344 solution to a greater level of granularity. The first Industry Consultation was issued on 23 February 2017. Details of the consultation can be found [here](#).

## **Panel Recommendation**

The Panel is requested to note progress.