

# ELEXON'S RESPONSE TO THE REPLACEMENT RESERVES IMPLEMENTATION FRAMEWORK CONSULTATION

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## Introduction

On 21 February, European Project TERRE which is creating a European platform for the exchange of Restoration Reserve (RR) issued a consultation on the Implementation Framework for the project. This consultation can be found on the European Network of Transmission System Operators for Electricity (ENTSO-E) website [here](#).

ENTSO-E and the TSOs are holding this public consultation in order to get the feedback form the stakeholders and market participants, prior to the sending of this implementation framework proposal for approval to the NRAs. Format of this document

Responses to the consultation had to be in a set format loaded into a web interface on the ENTSO-E website.

This document was used to develop the ELEXON response in the format required and represents the submission made. We did not answer all the consultation questions. Only the questions to which ELEXON made a substantive response are listed below.

Matt Roper 04 April 2018

## Consultation Questions to which ELEXON responded and the ELEXON Response

**3. What is your organisation?** ELEXON Ltd

**4. What types of organization do you represent?** Other

**5. Country / countries that you represent** Great Britain

### 6. Please add here your feedback related to Article 1 and Article 2

ELEXON agrees with the scope of the RRIF and welcomes the opportunity for stakeholders to provide feedback. We note that EBGL Article 30 (pricing for balancing energy) and Article 50 (TSO-TSO settlement) are not in scope of the consultation and seek clarification on whether the EBGL mandated TSO proposals will be developed under the TERRE project or will it be part of a wider harmonisation under the Electricity Balancing Guideline? If under the TERRE project, when would such harmonisation be proposed and consulted upon? This is important to us in case it requires design changes to our local arrangements for TERRE. If it does impact our local arrangements in any way, we would typically ask for 18 months' notice of any such change, so that we can follow our GB legally-mandated process of assessment, design, NRA approval and implementation.

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As we have already finalised the design of the GB TERRE settlement solution, we will most likely need the full 18 months' notice for any significant TERRE requirement changes and so would need the Project TERRE design to be complete and finalised by June 2018 at the latest in order to have our own design completed, approved and implemented to be ready for parallel running in Q3 2019.

## **7. Please add here your feedback on Article 3: High-level design of the RR-Platform**

ELEXON notes that the high-level design makes no mention of TSO Interconnection Controllability and subsequent "constrained" optimisation algorithm runs for RR Activations; nor the subsequent "unconstrained" optimisation algorithm run for TSO – TSO settlement (as per section 2.2.5 of the previous TERRE consultation).

Noting that Interconnection controllability is referenced in Article 11 and Article 13, ELEXON question why these requirements are not captured in the high-level design requirements.

## **8. Please add here your feedback on Article 4: The roadmap and timeline for the implementation of the RR-Platform**

ELEXON notes the timeline for implementation and recognise that it will fulfil the EBGL requirements of Article 19. ELEXON is concerned however that the parallel run requirements will not be published until October 2018 and the overall requirements will not be finalised until Dec 2018. ELEXON has already finalised the design of the GB TERRE settlement solution and (as noted in Q7) we may need a further 18 months' to implement any subsequent TERRE requirement changes. Therefore we would like to reiterate that we need all Project TERRE design to be complete and finalised by June 2018 at the latest in order to have our own design completed, approved and implemented to be ready for parallel running participation in Q3 2019.

## **11. Please add here your feedback on Article 7: Gate closure time for RR standard product energy bids**

ELEXON notes with concern the timeline for finalising the definition of gate closure time for RR standard product energy bids at 2 months prior to the entry into operation of the RR-Platform i.e. expected Q3 2019. ELEXON would usually ask for 18 months' notice to implement any requirement changes and so would find it challenging to design, implement and test new requirements within a 2 month period. We would therefore ask the for as much notice as possible in order to have our own design completed, approved and implemented to be ready for go-live in Q4 2019.

## **14. Please add here your feedback on Article 10: Rules for governance and operation of entity operating the platform and proposed designated entity**

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ELEXON notes that there are no provisions for Third Party Market Operator (TPMO) to participate in the (expert) groups. ELEXON is a TMPO who delivers the electricity balancing settlement, imbalance settlement and related data publication services that are critical to the successful operation of Great Britain's (GB's) current electricity trading arrangements under the national GB Balancing and Settlement Code. It must be noted that we do undertake operations that, in some other EU Member States, are undertaken by TSOs (see [Europex documentation on Third Party Market Operators](#)) and so request that the definition be expanded to include TMPO.

We also note that should the definition not be expanded Great Britain will be the only TERRE member who will not have an expert Settlement representative on the (expert) groups and question if this proposed arrangement is appropriate.

## **15. Please add here your feedback on Article 11: Framework for harmonization of terms and conditions**

ELEXON note that Controllability of Interconnection has been included in the Framework for harmonization and acknowledge that the settlement rules in case of activation of bids for satisfying the controllability of interconnection will be in line with Article 30 of the GL EB yet are out of scope of this Implementation framework (as noted in Article 1).

ELEXON seek clarification on whether these EBGL mandated TSO proposals will be developed under the TERRE project or will it be part of a wider harmonisation under the Electricity Balancing Guideline? If under the TERRE project, when would such harmonisation be proposed and consulted upon? This is important to us in case it requires design changes to our local arrangements for TERRE. If it does impact our local arrangements in any way, we would typically ask for 18 months' notice of any such change, so that we can follow our GB legally-mandated process of assessment, design, NRA approval and implementation.

I would like to refer you our answer to Q6 in that we have already finalised the design of the GB TERRE settlement solution and therefore will most likely need the full 18 months' notice for any significant TERRE requirement changes and so need all Project TERRE requirements to be finalised by June 2018 at the latest in order to have our own design completed, approved and implemented to be ready for parallel running in Q3 2019.

## **17. Please add here your feedback on Article 13: Description of the optimisation algorithm**

ELEXON note that controllability of interconnectors is referenced in Article 11 under the Framework for Harmonisation, i.e. that it will be allowed. In Article 13 however the language used is more ambiguous in that the "Controllability of interconnections when applicable will also be considered" compared to clauses (a) to (f) i.e. must be / not be. ELEXON seek clarity on this point.