

ELEXON RESPONSE TO THE ENTSO-E CONSULTATION ON ITS 2016 WORK PROGRAMME

This response was drafted in this unusual format as the ENTSO-E required responses into an online form.

1. What is your organisation?

ELEXON Ltd.

(ELEXON Ltd delivers the centrally-mandated electricity settlement services that are critical to the successful operation of Britain's (GB's) current electricity trading arrangements under the national GB Balancing and Settlement Code (BSC).)

2. What is your name?

Steve Wilkin (European Coordination Manager at ELEXON Ltd.)

3. What is your email address?

steve.wilkin@elexon.co.uk

4. Would you like ENTSO-E to treat your contribution as confidential?

No

5. Is the structure of the Annual Work Programme 2016 suitable?

Very suitable (one of the drop down options)

6. Is the information of the Annual Work Programme 2016 detailed enough?

Not enough detail on the key issues (one of the drop down options)

As ELEXON's and our stakeholders' systems will need to interface with the relevant balancing pilot projects (as will most of the European electricity industry) and because these will be the first implementations we need to undertake to prepare for the full implementation of the Network Code on Electricity Balancing, ELEXON would like to see more detail on the plans for such projects. We have found the ENTSO-E webpage on 'Cross Border Electricity Balancing Pilot Projects' very valuable in this respect and a commitment in the Annual Work Programme to maintain the regular update reports on the individual balancing pilot projects as they evolve would be very welcome.

It is worth noting that these pilot projects cannot be implemented (go live) in isolation from the current national/regional arrangements and stakeholders, so IT development of the pilot projects should encompass these local arrangements and stakeholders in their plans and in end to end testing.

7. What other topic(s) would you like ENTSO-E to address?

No comment.

8. Any comments regarding the Network Codes?

All the Network Codes have now reached at least the pre-comitology stage in their development. However, some of these Network Codes are still subject to, perhaps significant, change, in particular the Network Code on Electricity Balancing and the Network Code on Emergency and Restoration, which we understand are subject to change following the European Commission's Energy Union 'summer package' of proposals. **To the maximum extent possible, if there is significant new drafting in these Network Codes and if ENTSO-E is involved in this re-drafting, we would encourage ENTSO-E, as well as ACER and the European Commission, to consult publicly with stakeholders before these drafts are finalised.** Earlier drafts were subject to consultation by

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ENTSO-E and ACER, so this would put the changed sections under equivalent review by the broadest range of stakeholders.

Also, we have previously made the comment that Chapter 4 of the Network Code on Emergency and Restoration on market suspension and restoration would best sit under the governance of the markets European Stakeholder Committee.

9. Any comments regarding Stakeholder Engagement?

ELEXON welcomes, and fully supports, ENTSO-E's increasing commitment to stakeholder engagement, in particular its commitment to take 'into account the broadest range of views from stakeholders at an early stage'. We agree that 'stakeholder expertise (and we would add experience too) is indispensable to delivering well-critiqued and acceptable (we would add effective and workable given that stakeholders will be affected by, and may need to implement interfaces with such) proposals'.

Specifically, given ENTSO-E's powerful mandated role in developing and implementing the Network Codes and Guidelines, we believe that it is essential that ENTSO-E engages fully with all affected stakeholders in Europe on its plans. There is much experience of implementing and operating markets and local knowledge residing in the stakeholder community.

ELEXON further agrees with ENTSO-E's statement that 'effective stakeholder engagement is essential in ensuring a successful process', particularly since issues may be revealed at local or regional level in implementing the pilot projects for Network Codes that have implications at the pan-European level and must be considered at that level as soon as they are identified.

We have found that it is not always easy for individual stakeholders, particularly those who are not members of a European trade association or have a unique perspective, to be heard in the pan-European debates even if they have relevant information, evidence or views to contribute, so any movement by ENTSO-E to further engage with individual stakeholders would be welcome. For example, we have found that public consultations, such as this one, are currently the main way for individual stakeholders to put forward their views to the pan-European institutions, such as ENTSO-E. But we have recently seen the introduction, and very much welcome, ENTSO-E public workshops open to individual stakeholders, e.g. on balancing pilot projects. We strongly support ENTSO-E's continued use of public consultations and individual stakeholder workshops to aid discussion of issues and gather views from the broadest range of stakeholders wherever possible. And we would encourage ENTSO-E to find other new ways to engage with the broadest range of stakeholders, e.g. perhaps online.

We support the commitment that ENTSO-E has made to transparency and visibility in its work areas and particularly support the website for publication of information from the new European stakeholder committees. We encourage ENTSO-E to publish all information that is made available to the stakeholder committees as soon as possible.

10. Any other comments that you would like to share?

A minor point, but we suggest that Figure 3 in the draft ENTSO-E Annual Work Programme 2016 may need updating before the Work Programme is finalised. In particular, the timeline for the draft Network Code on Electricity Balancing, as it has only recently been sent to the European Commission.

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