

## **Response: GC0048 – Requirements for Generators – GB Banding Thresholds**

16 May 2016

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RenewableUK is the leading trade association in the renewable electricity sector, representing over 450 organisations across the value chain in the wind, wave and tidal stream industries. Our members develop renewable energy assets to be connected to the GB transmission and distribution networks and, as such, we have a keen interest in how the Requirements for Generators network code will be implemented within the GB regulatory structure.

Scottish Renewables is the representative body for the renewable energy industry in Scotland, working to deliver a low-carbon, secure energy system, integrating renewable electricity, heat and transport at the lowest possible cost.

**i) From your perspective, which of the banding options presented in the consultation document ('high', 'medium', and 'low' is most suitable to apply in the GB synchronous area for the next three-five years?**

We support the adoption of the 'high' banding threshold as the most suitable for the GB synchronous area for the next three to five years.

**ii) In respect of your preferred banding option stated in question (i), please can you provide a supporting justification, particularly focusing on quantifying any costs/savings/benefits (the attached template is provided as a guide), when it is compared to the other two options presented in this report.**

Being trade bodies representing the renewables industry in Great Britain, RenewableUK and Scottish Renewables are not in a position to comment directly on the financial implications of picking one banding option over another. It is for individual members to state their financial position on this matter.

However, we do echo our members' opinions that it will be the position of the B/C boundary which will have the largest impact on new generators, in terms of the complexity of fulfilling the obligations of Types C & D generators, and that selecting the 'high' banding option, where the threshold for the provision of frequency response would be the same as the threshold currently specified in the Grid Code, is the preferred situation.

We wish to highlight that the RfG code itself does not require a cost benefit analysis to be conducted for the setting of the type boundaries: neither Article 5 nor Article 10 of the published RfG code call for a cost benefit analysis in respect of the setting of the banding options; Articles 4, 38 and 39 are aimed only at the application of the banding obligations to existing generation, and; Article 63(2) refers only to cases where a derogation is sought. Our members believe that it is for National Grid, and not for them, to establish and show the value of applying different banding levels in the GB system.

**iii) Does your preferred banding level adequately protect the interests of all Transmission System and Distribution System Users? If not, why does it fail to do so?**

Yes.

**iv) Do the proposed banding levels strike an appropriate balance between the needs of the System Operator, Network Operators, Generators and other interested parties? If not, why do they fail to do so?**

Yes.

**v) Are there additional considerations for the banding level which the Workgroup has so far not taken account of in this report?**

No.

**vi) Please provide any other comments you feel are relevant to the proposed change.**

We have no further comments.

**vii) How do you believe your preferred banding level facilitates the Grid Code/Distribution Code objectives?**

**(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;**

By introducing a new set of providers of system services, the RfG 'high' banding option will help to facilitate a cheaper, safer, and more securely operated transmission system.

**(ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);**

As the pool of providers of system services is opened up by the RfG network code, competition in the markets for these services should increase. National Grid as System Operator will have a larger and more diverse pool from which to pick the most suitable service providers.

**(iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole;**

As the pool of providers of system services is opened up by the RfG network code, competition in the markets for these services should increase. National Grid as System Operator will have a larger and more diverse pool from which to pick the best and most suitable service providers.

**(iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.**

**Do you have any additional comments?**

No

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