Modification proposal:	**Grid Code GC0098: Using GB Grid Code data to construct the EU Common Grid Model in accordance with Regulation (EU) 2015/1222 (CACM Regulation), Regulation (EU) 2016/1719 (FCA Regulation) and Regulation (EU) 2017/1485 (SOGL Regulation) – decision following self-governance appeal[1]**
Decision:	The Authority[2] has decided to quash the self-governance decision of the Grid Code Review Panel (GCRP) and to refer back GC0098 to the GCRP for further re-consideration and a further GCRP self-governance decision[3]
Target audience:	Code Administrator, Grid Code Review Panel, National Grid Electricity Transmission Plc (NGET), Grid Code users and other interested parties
Date of publication:	12 February 2018

Background

Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM Regulation)[4], Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (FCA Regulation)[5] and Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (SOGL Regulation)[6] require Transmission System Operators (TSOs) to construct and share with other TSOs an Individual Grid Model of their respective systems. This must include information from their generation and load units, and will be shared with, and used by, relevant TSOs to create a pan-EU Common Grid Model.

The CACM Regulation, the FCA Regulation and SOGL Regulation aim to; (1) promote effective competition in the generation, trading and supply of electricity in the day-ahead and intraday timeframes, (2) promote effective long-term cross-zonal trade with long-term cross-zonal hedging opportunities for market participants, and (3) determine common operational security requirements and principles respectively.

The requirement for NGET to share the data with other EU TSOs arises from the CACM Regulation. The generation and load data provision methodology, developed in accordance with CACM Article 16, and approved by all National Regulatory Authorities on 10 January 2017 requires NGET to collect data from generation units and loads to fulfil its obligations relating to the EU Common Grid Model.

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[1] The Grid Code Governance Rules, GR 24, (https://www.nationalgrid.com/sites/default/files/documents/25_GOVERNANCE_RULES_I5R20.pdf) sets out the self-governance control process, including a process to appeal self-governance decisions. Ofgem's self-governance modification appeal guidance is on the Ofgem website:
 https://www.ofgem.gov.uk/publications-and-updates/ofgem-guidance-self-governance-modification-appeals-process
[2] References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.
[3] This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.
[4] Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management
[5] Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation
[6] Commission Regulation (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation

Article 16(3) of the CACM Regulation provides that the generation and load data provision methodology shall specify the information to be provided by generation units and loads to TSOs. It states that the information shall at least include:

(a)   information related to their technical characteristics;
(b)   information related to the availability of generation units and loads;
(c)   information related to the schedules of generation units;
(d)   relevant available information relating to how generation units will be dispatched.

Article 16(5) provides that each TSO shall use and share with other TSOs the information referred to in paragraph 3.

The modification proposal

GC0098[7] aims to give all GB parties visibility as to which data collected by NGET under the Grid Code would be used to construct the Individual Grid Model, and subsequently the EU Common Grid Model. The legal text of GC0098 states that the modification is to provide for the supply of information required by NGET from users in respect of the pan-EU Common Grid Model to enable NGET to carry out its duties under the CACM Regulation, FCA Regulation and the SOGL Regulation. The modification lists the relevant sections of the Grid Code under which the data will be collected, which the proposer considers would provide clarity on which data would be used to construct the Individual Grid Model.

GC0098 was raised by NGET in April 2017, and submitted to the Grid Code Review Panel (GCRP) on 19 July 2017. The GCRP decided that the modification should be classed as Self-Governance, and the modification proceeded to Code Administrator Consultation which closed on 12 September 2017. One response to the Code Administrator Consultation was received, in support of GC0098.

Grid Code Panel Determination

On 20 September 2017, the GCRP voted on whether or not GC0098 better facilitates the Grid Code Objectives. Eight members voted in favour, whilst one member voted against GC0098. The vote against GC0098 was due to stakeholder concern that detailed and commercially sensitive intellectual property data that is necessary for a connection design and assessment would be made available on a European level.

The GCRP agreed by majority (8:1) that GC0098 better facilitates the Grid Code Objectives and should be implemented. The majority of the GCRP voted that GC0098 better facilitates Grid Code Objective (iv)[8], and has a neutral impact on all other objectives.

Self-Governance appeal

On 19 October 2017, we received notice of an appeal by Senvion UK (Senvion) of the GC0098 decision.

Senvion believes it, and other similar users, would be unfairly prejudiced by the implementation of GC0098, and that GC0098 does not better facilitate the achievement

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[7] The GC0098 modification proposal report is on National Grid's website:
https://www.nationalgrid.com/uk/electricity/codes/grid-code/modifications/gc0098-using-gb-grid-code-data-construct-eu-common
[8] 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

of Grid Code objectives (i)[9], (iii)[10], (iv), and (v)[11]. It stated that some data, specifically PC.A.5.4.2, required to be provided under GC0098 by Senvion to NGET, and subsequently to be provided by NGET to other EU TSOs, is strictly confidential and issued to NGET under a Non Disclosure Agreement. It believes that GC0098 allows NGET to share this data with other organisations.

The Self-Governance modification appeals process set out in the Grid Code provides us with the following options in making our decision on a code modification appeal:

1. Reject the appeal and uphold the original decision; or
2. Uphold the appeal and quash the Grid Code Review Panel's decision. We may then:
    a. refer back the proposal for further re-consideration and a further GCRP Self-Governance vote; or
    b. remove self-governance and make the decision on the proposal. In this case, the GCRP's original decision would be treated as a recommendation to us.

Our decision

We have considered the issues raised by the modification proposal and in the Final Report dated 3 October 2017. We have also considered the information provided in the appeal letter dated 19 October 2017, and subsequent information received from NGET in response to questions from us.

We have decided to uphold the appeal and quash the GCRP's decision, and to refer back the proposal for further re-consideration and a further GCRP self-governance vote.

Reasons for our decision

GC0098 aims to give all GB parties visibility as to what data will be used to construct the Individual Grid Model.

The proposed legal text of GC0098 states that all data listed in Appendix G may be used to provide for the supply of information required by NGET from users in respect of the pan-EU Common Grid Model to enable NGET to carry out its duties under the CACM Regulation, FCA Regulation and SOGL Regulation. However, through discussion with NGET, we understand that only a limited amount of the data collected by NGET through the relevant Grid Code sections, listed in Appendix G, would have been utilised for the creation of the Individual Grid Model, and thus the Common Grid Model.

Further, NGET stated that it would only use a simplified form of GB parties' data, which would provide some anonymity. Addressing Sevinon's concerns regarding the sharing of detailed control system block diagrams collected under PC.A.5.4.2, which is issued to NGET under a Non Disclosure Agreement, NGET stated that this detailed information would not be shared as it is not required to construct the Individual Grid Model, and thus the Common Grid Model. NGET stated that a simplified form of this data, however, would be used to construct the Individual, and thus Common Grid Model, and therefore would be shared. We consider that this appears to contradict the aim of GC0098; to clarify which data would be used to construct the Individual Grid Model, and thus the Common

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[9] to permit the development, maintenance and operation of an efficient, co-ordinated and economical system for the transmission of electricity
[10] 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
[11] to promote efficiency in the implementation and administration of the Grid Code arrangments

Grid Model. It is therefore not clear to us that the changes the GCRP had agreed to under self governance are appropriate, in the form currently proposed.

We understand that the CACM Regulation requires NGET to collect data from generation units and loads, and to share this data with EU TSOs via the Individual Grid Model. However, it is not clear to us that GC0098 increases the transparency relating to data used to comply with the CACM Regulation, FCA Regulation and SOGL Regulation. It is therefore not clear to us how GC0098 meet its aim; to give all GB parties visibility as to what data will be used to construct the Individual Grid Model.

Next Steps

While it is not clear to us that GC0098 in its current form meets its stated aims, we see merit in the aim of giving GB parties clarity on what data would be used to create the Invidiual, and then Common Grid Model, and what data would be shared with other EU TSOs. We believe that in order to achieve this, it may be appropriate for GC0098 to be more explicit in what data would be used to create the Individual, and then Common Grid Model. Further work by the proposer and work group may achieve this.

Decision notice

In accordance with Governance Rule GR.24.17 of the Grid Code, the Authority has decided to quash the GCRP's decision, and to refer back the proposal for further re-consideration and a further GCRP self-governance vote. We would expect this further re-consideration to take into account the matters set out in this letter, and for the GCRP to consider these in taking a further self governance vote in due course.

Peter Bingham
Chief Engineer
Signed on behalf of the Authority and authorised for that purpose