

Stage 05: Final Modification Report

Grid Code

GC0112: National Grid Legal Separation Grid Code changes to incorporate NGESO

Purpose of Modification: This proposal seeks to modify the Grid Code to reflect the creation of a new National Grid Electricity System Operator (NGESO) titled 'The Company' that is legally separated from National Grid Electricity Transmission Limited (NGET) throughout the Grid Code in order to ensure the System Operator and Transmission Owner obligations are clear.

This Final Modification Report has been prepared in accordance with the terms of the Grid Code. An electronic version of this document and all other GC0112 related documentation can be found on the National Grid website at the following link:

<https://www.nationalgrid.com/uk/electricity/codes/grid-code/modifications/gc0112-national-grid-legal-separation-grid-code>

At the Grid Code Review Panel on 27 September 2018, the Panel members agreed that the Original Proposal to implement these changes was better than the baseline and recommended that it should be implemented.

The purpose of this document is to assist the Authority in making its determination on whether to implement GC0112.

What stage is this document at?

01	Modification Proposal
02	Workgroup Report
03	Code Admin Consultation
04	Draft Final Modification
05	Report to the Authority



High Impact: National Grid



Medium Impact: None



Low Impact: Generators and Suppliers

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Any Questions?

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Proposer:

John Martin, National Grid

Timetable

Draft Final Modification Report presented to Panel	27 September 2018
Modification Panel Recommendation Vote	27 September 2018
Final Modification Report issued to the Authority	11 October 2018
Decision implemented in Grid Code	April 2019

About this document

This document is the Final Grid Code Modification Report document which contains the discussion of the Workgroup which formed in June 2018 to develop and assess the proposal and the Workgroup vote held on 10 August 2018. The Panel reviewed the Workgroup Report at their Grid Code Review Panel meeting on 15 August 2018 and agreed that the Workgroup had met its Terms of Reference and that the Workgroup could be discharged. This document also contains the responses to the Code Administration Consultation which closed on 18 September 2018.

At the Grid Code Review Panel meeting on 27 September 2018, the Panel voted on how the GC0112 proposal compared against the applicable Grid Code objectives. The Panel members unanimously agreed that the Original Proposal was better than the baseline and recommended that it should be implemented.

The Final Modification Report has been prepared in accordance with the terms of the Grid Code. An electronic version of this document and all other GC0112 related documentation can be found on the National Grid website via the following link:

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Document Control

Version	Date	Author	Change Reference
0.1	03/10/2018	Code Administrator	Final Modification Report

1 Summary

This document is the Final Modification Report document and it contains a summary of the discussion of the Workgroup which formed in June 2018 to develop and assess the proposal together with the results of the Workgroup vote held on 10 August 2018. The Panel reviewed the Workgroup Report at their Grid Code Review Panel meeting on 15 August 2018 and agreed that the Workgroup had met its Terms of Reference and that the Workgroup could be discharged. This document also contains the responses to the Code Administration Consultation which closed on 18 September 2018.

GC0112 was proposed by National Grid Electricity Transmission and was originally submitted to the Grid Code Review Panel for its consideration on 26 April 2018. The Panel decided to send the Proposal to a Workgroup to review the proposed draft legal text presented by the Proposer.

Workgroup Conclusions

At the final Workgroup meeting, Workgroup members voted on the Original Proposal. All members voted that the Original Proposal better facilitated the applicable Grid Code objectives than the current baseline.

Code Administrator Consultation responses

Four responses were received to the Code Administrator Consultation. A summary of the responses can be found in section 11 of this document. Overall the respondents agreed that the proposal better facilitates the applicable Grid Code objectives.

Grid Code Review Panel View

At the Grid Code Review Panel meeting on 27 September 2018, the Panel voted on how the GC0112 proposal compared against the applicable Grid Code objectives. The Panel members unanimously agreed that the Original Proposal was better than the baseline and recommended that it should be implemented.

This Final Modification Report has been prepared in accordance with the terms of the Grid Code. An electronic copy can be found on the National Grid Website, <https://www.nationalgrid.com/uk/electricity/codes/grid-code/modifications/gc0112-national-grid-legal-separation-grid-code> along with the Grid Code Modification Proposal Form.

National Grid View

As this modification was raised by National Grid their view is the Original proposal should be implemented as submitted to the Authority.

2 The Original Proposal

Section 2 (Original Proposal) is sourced directly from the Proposer and any statements or assertions have not been altered or substantiated/supported or refuted by the Workgroup. Section 4 of the Workgroup contains the discussion by the Workgroup on the Proposal and the potential solution.

Background

Following the joint statement titled “Statement on the future of Electricity System Operation” issued by BEIS, Ofgem and National Grid on 12 January 2017 and consequential consultation response by Ofgem on ESO separation on 3 August 2017, the obligations in the Grid Code will need to be modified to reflect the System Operator requirements and to place the current Transmission Owner requirements on NGET as a Transmission Owner.

NGET and NGESO will become separately licensed entities as a consequence of NGET transferring the System Operator elements of its existing licence to NGESO under section 7A Electricity Act 1989. NGET will retain the Transmission Owner elements.

How

Changes are required to NGET’s existing transmission licence to implement legal separation; all system operator obligations will be transferred into a new transmission licence for the NGESO and as such need to be reflected accordingly within the electricity codes.

What

It is proposed that the definition of ‘The Company’ (introduced through GC0115) will be utilised by the National Grid Electricity System Operator legal entity and associated legal text updates required for the correct obligations to be on both NGESO and NGET.

A new definition of NGET will be created for the National Grid Transmission Owner business. NGET will be included within the definitions of ‘Onshore Transmission Licensee, “Relevant Transmission Licensee” and “Relevant E&W Transmission Licensee”’.

The “implementation/transitional” provisions in the Appendix to the General Conditions in the Grid Code, will come into effect prior to the transfer of the system operator licence conditions within the NGET transmission licence to NGESO.

How

The housekeeping modification GC0115 was approved at the July 2018 Grid Code Review Panel to amend the ‘NGET’ references to ‘The Company’. GC0115 Modification was raised based on industry feedback through the informal consultation work completed with industry parties by the Proposer prior to raising GC0112. This highlighted that they would like to have the System Operator referred to more generically throughout the Grid Code. The definition for ‘The Company’ will make direct reference to NGESO.

There are a number of ongoing Grid Code modifications which could interact with this Modification. The GC0112 Proposer and the Code Administrator have agreed to work with other Proposers, where required, to ensure that the draft legal text in those Modifications will be based on both the current Grid Code baseline and the version of the Grid Code differentiation between NGESO and NGET introduced by this Modification (which doesn’t come into effect until 1 April 2019). The Grid Code Review Panel will be appraised of developments in this area.

3 Panel Recommendation regarding how GC0112 should be progressed

The Proposer presented this Modification to the Panel on 26 April 2018 with a suggestion that the Modification should be reviewed via an industry webinar.

However, the Grid Code Review Panel concluded that this Modification should be reviewed by a Workgroup.

The Panel also recommended that the following items should be within the Workgroup's Terms of Reference:

- Review the draft legal text provided by the Proposer

The draft legal text discussions are summarised in the Workgroup Discussions section of this Report.

4 Workgroup Discussions

The Workgroup convened three times to discuss the issue, detail the scope of the proposed defect, devise potential solutions and assess the proposal in terms of the Grid Code Objectives.

The Proposer presented the defect that they had identified in the GC0112 Proposal and highlighted that the defect related to the definitions used within the Grid Code arising out of National Grid's legal separation of the System Operator and Transmission Owner functions.

The discussions on the draft legal text focussed on the following Grid Code sections and associated feedback:

- **Glossary and Definitions**

1. It was questioned whether the concept of Local Safety Instructions are only relevant in E&W. It was confirmed by the Proposer that the Local Safety Instructions do not cover safety co-ordination in Scotland.
2. Onshore Transmission System definition - the wording has been clarified to recognise the different ownership and operation of the various parties.
3. 'The Company' definition - a couple of typographical edits were highlighted and amended by the Proposer.
4. In the definition of "Agency" the reference to the Transmission Licence is prefixed with "The Company's" for clarity.
5. In the definition of "DC Converter Station" the Proposer agreed that the correct reference was to the NETS as drafted.

- **Connection Conditions**

1. CC.5.2.1 (h) - wording reworded for clarity.
2. CC.5.2.1 (m) – A Workgroup member questioned whether this was a regional difference and on reflection the Proposer accepted that it was and so the proposed draft no longer deletes "for Sites in Scotland and Offshore".
3. CC.6.5.5.1 – At the Workgroup there was discussion around the control telephony requirements and the reference in this context to "Transmission Area" and the interaction with the Control Telephony Electrical Standard in part (a) of the Annex to the General Conditions. The Workgroup agreed it was sensible that the Control Telephony Electrical Standard, although an NGET standard in the Annex, should apply and be used on a GB basis and not just in the E&W transmission area, but that this is a matter that should be taken forward separately.
4. For clarity, in the context of CC.7.2.1, under the CUSC construction agreement (CUSC Schedule 2, Exhibit 3, Clause 2.1) there is a requirement to agree the safety rules to apply during works. Once a site is established as a transmission or user site, CC.7.2 establishes the rules that apply.

- **European Connection Conditions**

1. Two edits were suggested to ensure consistency with the 'Connection Conditions' and amended by the Proposer in ECC.5.2.1 (m) and ECC.6.5.4.1.
2. ECC.5.2.1 (h) - wording reworded for clarity.
3. ECC.6.5.5.1 - same comments as above on CC.6.5.5.1.
4. ECC.7.2.1- same comments as above on ECC.7.2.1

- **Data Registration Code**

The Workgroup agreed that the reference in Schedule 1 (page 15 of 19) should be to the NETS.

- **General Conditions**

1. Annex – following discussion at the Workgroup, the Annex to the General Conditions has been more clearly amended to ensure there is clear differentiation between the Electrical Standards of NGENSO and the Relevant Transmission Licensees (including NGET). Part (a) and (b) have been edited so that it is clear which are the standards of NGET in its transmission area and which are the standards of the NGENSO.
2. GCB1.3 – Workgroup members requested clarification that the Clause makes reference to the date that the Modification is approved by the Authority, which the Proposer agreed to and the drafting reflects this.
3. GC.B.3.1 – the view from the Proposer is that there will not be any material new obligations introduced here, but the Workgroup highlighted that they felt the obligation is open ended and should be caveated by including the term 'reasonable' in the legal text, which the Proposer agreed to.
4. GC.B.3.3 – there are no clear examples of potential new requirements but the clause is intended to include, for example telephone numbers etc. The Workgroup highlighted that they felt the obligation is open ended and should be caveated by including the term 'reasonable' in the legal text, which the Proposer agreed to.
5. GC.B.1.3 and GC.B.1.4 was edited to make clear that the defined terms within this GC Part B are used only for purposes of GC Part B.

- **Operating Code Number 7**

The Proposer has confirmed that they want to keep the proposed removal of the text in OC7 deleting the references to Scotland and Offshore. The changes are to ensure that the arrangements in Scotland and Offshore, where the SO and TO are separate today, are mirrored in E&W on the separation of the SO and TO activities within NGET's transmission area. OC7.6 clarifies the respective roles of the SO and TO in the operational switching process and this needs to be reflected in E&W to recognise and reflect the two points of operational contact within this process given there are now 2 entities involved.

- **Operating Code Number 8A**

1. OC8A.4.2.2 - A Workgroup member questioned whether this was a regional difference in OC8B and on reflection the Proposer accepted that it was and so the drafting no

longer introduces the text at the end of the clause mirroring OC8.B at the end of the clause.

2. OC8A.4.3.7 and Appendix D - A Workgroup member questioned whether this should both make reference to NGET, which the Proposer agreed to amend.

- **Operating Code Number 9**

OC9.4.7.3 and OC9.4.7.12 – In England and Wales, instructions under a Black Start will continue to be given by the system operator and so text has reverted to the existing Grid Code wording but NGET will have a role in the establishment of the plan.

5 Workgroup Vote

The Workgroup did not have the requisite 5 Workgroup members to undertake a vote in accordance with Governance Rule GR.20.3. Given the importance of this modification to facilitate legal separation of NGET and NGESO, the Grid Code Review Panel agreed that they were content for the vote to proceed with only four Workgroup members.

The Workgroup met on the 10 of August 2018 to hold the Workgroup vote. The Workgroup unanimously agreed that the modification better facilitates the Grid Code objectives and should be implemented.

Vote 1

Does the original facilitate the objectives better than the Baseline?

Vote recording guidelines:

“Y” = Yes

“N” = No

“-“ = Neutral

Workgroup Member	Better facilitates GCO (i)	Better facilitates GCO (ii)?	Better facilitates GCO (iii)?	Better facilitates GCO (iv)?	Better facilitates GCO (v)?	Overall (Y/N)
John Martin (Proposer) Alternate Angie Quinn						
Original	-	-	-	Y	-	Y
Voting Statement: The proposal facilitates the SO/TO legal separation.						
Garth Graham						
Original	-	-	-	Y	-	Y
Voting Statement: The proposal will better facilitate the relevant objectives in discharging the obligations imposed upon the licensee, based on Ofgem’s proposed NGESO and NGET legal separation.						
Alan Creighton						
Original	-	-	-	Y	-	Y
Voting Statement: The proposal facilitates the SO/TO legal separation.						
Graeme Vincent						
Original	-	-	-	Y	-	Y

Voting Statement: The proposal facilitates the SO/TO legal separation requirements.

Vote 2

Which option is the best?

Workgroup Member	BEST Option?
Angie Quinn (alternate to John Martin)	Original
Garth Graham	Original
Alan Creighton	Original
Graeme Vincent	Original

6 Solution

The “implementation/transitional” provisions in the Appendix to the General Conditions in the Grid Code, which will come into place until the transfer of the transmission licence to NGESO.

For further detail please see the attached draft legal text for the proposed solution. The sections attached are:

- Cover
- GLOSSARY AND DEFINITIONS (GD)
- PLANNING CODE (PC)
- CONNECTION CONDITIONS (CC)
- EUROPEAN CONNECTION CONDITIONS (ECC)
- OPERATING CODES (OC)
- OC6 Demand Control
- OC7 Operational Liaison
- OC8 and 8A Safety Co-ordination
- OC9 Contingency Planning
- OC11 Numbering and Nomenclature of HV Apparatus at Certain Sites
- BALANCING CODES (BC)
- BC1 Pre Gate Closure Process
- BC2 Post Gate Closure Process
- DATA REGISTRATION CODE (DRC)
- GENERAL CONDITIONS (GC)
- GOVERNANCE RULES (GR)

7 Impacts and Other Considerations

Although this modification proposal does not directly impact other industry codes, other proposed modifications to industry codes (BSC, CUSC, DCUSA, Distribution Code, Grid Code, SQSS and STC) are being raised in parallel to this modification proposal as a result of creating a legally separate system operator.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

N/A

Consumer Impacts

N/A

8 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
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; and	Positive

The Proposer believes that this change will better facilitate the relevant objective above, by attributing the appropriate obligations to NGESO as System Operator and the Transmission owners in accordance with the new NGESO Transmission Licence and modified NGET Transmission Licence obligations.

9 Implementation

Legal text for GC0112 has been drafted using the baseline of October 2018. As the Grid Code changes once approved will be introduced but “suspended” until 1 April 2019, apart from the “implementation/transitional” provisions. The Code Administrator will ensure that the Proposer, the Grid Code Review Panel and the Workgroup are aware of the approval of any other Grid Code Modifications from the date of the submission of the Workgroup Report to the Panel. The Grid Code Review Panel will be apprised of the implementation plan and process.

10 Legal Text

The draft legal text is can be found under the 'Final Modification Report' tab via the following link:

<https://www.nationalgrideso.com/codes/grid-code/modifications/gc0112-national-grid-legal-separation-grid-code-changes-incorporate>

11 Code Administrator Consultation Responses

The Code Administrator Consultation was issued on 28 August 2018 for 15 Working Days, with a close date of 18 September 2018.

Four responses were received to the Code Administrator Consultation and are detailed below:

Do you believe that GC0112 better facilitates the objectives?

NGESO - Yes – in terms of (iv) once the licence changes to designate the National Grid Electricity System Operator (NGESO) are made in April 2019, and for (i)-(iii) as these are some of the potential attributes of separating out the function of the SO.

Drax Power – Yes we believe it better facilitates the objectives

Scottish Power - Neutral as this facilitates the separation of NGET it does not actually affect the Grid Code.

SPEN - Yes – the proposals better facilitate objective (iv) and by recognising the legal separation requirements between National Grid System Operator and National Grid Transmission Owner.

Do you support the proposed implementation approach?

NGESO – Yes

Drax Power – We support the proposed implementation approach.

Scottish Power – It is not clear in the new GC appendix part B how other modifications are supposed to proceed during the period from approval of GC0112 until SO transfer date. As written it seems to suggest from approval until transfer then the "Pre GC0112 Grid Code" shall continue to apply this potentially puts other modifications on hold. For example BC4 has been implemented by GC0097 whilst this modification and GC0115 have been on-going so has been missed. So the question is what happens to other ongoing modifications?

SPEN – Yes

Do you have any other comments?

NGESO - No. The key principle of this modification is that there is no betterment

Drax Power - No

Scottish Power - ECC.A.5.5.1 needs to be changed to match CC.A.5.5.1.

CC.5.2.1(h) does not match ECC.5.2.1(h).

OC11.4.5 the word “then” could do with being removed after the word “the” to change it to “the current numbering”

SPEN - We note that a further review of the Grid Code will be needed to ensure comparable treatment / requirements for all existing TOs particularly in relation to PC 6 and Appendix C of the Planning Conditions.

12 Grid Code Review Panel

Before the Panel undertook the recommendation vote, the panel instructed the Code Administrator to make a typographical change under GR22.4 to the legal text to incorporate the following changes:

- Amend Section ECC.A.5.5.1 to be parallel to CC.A.5.5.1 including the table
- In CC.5.2.1(h) add ‘Such RISSP’, to ensure that the text is consistent for CC.5.2.1(h) and ECC.5.2.1(h)
- OC11.4.5 remove the word ‘then’

The Panel also agreed that the Code Administrator should reflect the proposed legal text changes on the latest Grid Code baseline.

At the Grid Code Review Panel meeting on 27 September 2018, the Panel voted on how the GC0112 proposal compared against the applicable Grid Code objectives.

The Panel unanimously agreed that the Original Proposal was better than the baseline and recommended that it should be implemented.

For reference the applicable Grid Code objective are;

Impact of the modification on the Relevant Objectives:
Relevant Objective
To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity
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)

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

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; and

To promote efficiency in the implementation and administration of the Grid Code arrangements

Vote1: Does the original facilitate the objective better than the Baseline?

	Better facilitates GCO (i)	Better facilitates GCO (ii)?	Better facilitates GCO (iii)?	Better facilitates GCO (iv)?	Better facilitates AGCO (v)?	Overall (Y/N)
Guy Nicholson						
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes
Voting statement	Enables SO/TO Split					
Damien Jackman						
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes
Voting statement	The proposal better facilitates the obligations imposed upon the licensee, based on the legal separation of NGET and NGESO					
Alastair Frew						
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes
Voting statement	This will enable the NGET licence changes					
Graeme Vincent						
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes
Voting statement	Proposal facilitates the So/To legal separation requirements.					
Alan Creighton						
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes
Voting statement	This proposal facilitates SO/TO legal separation.					
Kate Dooley						
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes
Voting statement	This proposal will better facilitate the separation of the SO/TO Split					
Rob Wilson (alternate for Kyla Berry)						
Original	Neutral	Neutral	Neutral	Yes	Neutral	Yes
Voting statement	This change will better facilitate the relevant objectives, by attributing the appropriate obligations to NGESO as System Operator and the Transmission owners in accordance with the new NGESO Transmission Licence and modified NGET Transmission Licence obligations.					

Vote 2: Which option is best?

Guy Nicolson	Original
Damien Jackman	Original
Alastair Frew	Original
Graeme Vincent	Original
Alan Creighton	Original
Kate Dooley	Original
Rob Wilson (alternate for Kyla Berry)	Original

The Grid Code Review Panel unanimously recommended that GC0112 should be implemented.

13 Recommendation to the Authority

The Grid Code Review Panel unanimously recommended that GC0112 should be implemented on the basis that the Grid Code changes are introduced but “suspended” until 1 April 2019, apart from the “implementation/transitional” provisions.

14 Code Administrator and Industry Costs

Costs

Code administration costs	
Resource costs	£5,445 - 3 Workgroup meetings
Industry costs (Standard)	
Total Code Administrator costs	£5,554
Resource costs	£10,890 - 3 Workgroup meetings £3,630 – 1 Consultations <ul style="list-style-type: none">• 1.5 man days effort per meeting• 1.5 man days effort per consultation response• 4 consultation respondents
Total Code Administrator costs	£5,445
Total Industry Costs	£18,259

Workgroup Terms of Reference and Membership

TERMS OF REFERENCE FOR GC0112 WORKGROUP

National Grid Legal Separation Grid Code changes to incorporate NGESO

Responsibilities

1. The Workgroup is responsible for assisting the Grid Code Review Panel in the evaluation of Grid Code Modification Proposal **GC0112: National Grid Legal Separation Grid Code changes to incorporate NGESO** as tabled by National Grid at the Grid Code Review Panel meeting on 26 April 2018.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Grid Code Objectives. These can be summarised as follows:
 - (i) *To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;*
 - (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);*
 - (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; and*
 - (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. In conducting its business, the Workgroup will at all times endeavour to operate in a manner that is consistent with the Code Administration Code of Practice principles.*

Scope

3. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Grid Code Objectives.
4. In addition to the overriding requirement of point 3 above, the Workgroup shall consider and report on the following specific issues:
 - a) *Implementation;*
 - b) *Review the draft legal text provided. If legal text is not submitted within the Grid Code Modification Proposal the Workgroup should be instructed to assist in the developing of the legal text; and*

- c) *Consider whether any further Industry experts or stakeholders should be invited to participate within the Workgroup to ensure that all potentially affected stakeholders have the opportunity to be represented in the Workgroup.*
 - d) Consider impact of cross code changes to understand the broader effect across industry
5. As per Grid Code GR20.8 (a) and (b) the Workgroup should seek clarification and guidance from the Grid Code Review Panel when appropriate and required.
6. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative Grid Code Modifications arising from Group discussions which would, as compared with the Modification Proposal or the current version of the Grid Code, better facilitate achieving the Grid Code Objectives in relation to the issue or defect identified.
7. The Workgroup should become conversant with the definition of Workgroup Alternative Grid Code Modification which appears in the Governance Rules of the Grid Code. The definition entitles the Group and/or an individual member of the Workgroup to put forward a Workgroup Alternative Code Modification proposal if the member(s) genuinely believes the alternative proposal compared with the Modification Proposal or the current version of the Grid Code better facilitates the Grid Code objectives. The extent of the support for the Modification Proposal or any Workgroup Alternative Modification (WACM) proposal arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the Grid Code Review Panel.
8. Workgroup members should be mindful of efficiency and propose the fewest number of WACM proposals as possible. All new alternative proposals need to be proposed using the Alternative request Proposal form ensuring a reliable source of information for the Workgroup, Panel, Industry participants and the Authority.
9. All WACM proposals should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACM proposals which are proposed by the entire Workgroup or subset of members.
10. There is an option for the Workgroup to undertake a period of Consultation in accordance with Grid Code GR. 20.11, if defined within the timetable agreed by the Grid Code Panel. Should the Workgroup determine that they see the benefit in a Workgroup Consultation being issued they can recommend this to the Grid Code Review Panel to consider.
11. Following the Consultation period the Workgroup is required to consider all responses including any Workgroup Consultation Alternative Requests. In undertaking an assessment of any Workgroup Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Grid Code Objectives than the current version of the Grid Code.
12. As appropriate, the Workgroup will be required to undertake any further analysis and update the appropriate sections of the original Modification Proposal and/or WACM proposals (Workgroup members cannot amend the original text submitted by the Proposer of the modification) All responses including any Workgroup Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised their right under the Grid Code to progress a Workgroup Consultation Alternative Request or a WACM proposal against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the Workgroup Consultation Alternative Request.

13. The Workgroup is to submit its final report to the Modifications Panel Secretary on 9 August 2018 for circulation to Panel Members. The final report conclusions will be presented to the Grid Code Review Panel meeting on 15 August 2018.

Membership

It is recommended that the Workgroup has the following members:

Role	Name	Representing (User nominated)
Chair	Chrissie Brown	National Grid, Code Administrator
Chair Alternate	Ren Walker	National Grid, Code Administrator
Technical Secretary	Chrissie Brown	National Grid, Code Administrator
Technical Secretary Alternate	Ren Walker	National Grid, Code Administrator
Proposer	John Martin	National Grid
Proposer Alternate	Angie Quinn	National Grid
Authority Representative	Jordan Clarke	OFGEM
Workgroup Member*	Garth Graham	SSE
Workgroup Member	Alan Creighton	Northern Powergrid
Workgroup Member*	Graeme Vincent	SP Energy Networks
Workgroup Member*	Yonna Vitanova	Renewable UK

14. A (*) Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk(*) in the table above contribute toward the required quorum, determined in accordance with paragraph 15 below.
15. The Grid Code Review Panel must agree a number that will be quorum for each Workgroup meeting. The agreed figure for GC0112 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.
16. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM proposal and Workgroup Consultation Alternative Request based on their assessment of the Proposal(s) against the Grid Code objectives when compared against the current Grid Code baseline.
- Do you support the Original or any of the alternative Proposals?
 - Which of the Proposals best facilitates the Grid Code Objectives?

The Workgroup chairman shall not have a vote, casting or otherwise.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

17. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.

18. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.
19. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
20. The Workgroup membership can be amended from time to time by the Grid Code Review Panel and the Chairman of the Workgroup.

Appendix 1 – Indicative Workgroup Timetable

The following timetable is indicative for GC0112:

Date	Meeting
Workgroup Meeting 1	May 2018
Workgroup meeting 2	May 2018
Workgroup Report presented to Panel (submission/presented)	May 2018

Post Workgroup modification process:

Date	Meeting
Code Administration Consultation Report issued to the Industry (opens/closes)	May 2018
Draft Final Modification Report presented to Industry and Panel (issued/presented)	July 2018
Modification Panel Recommendation vote	July 2018
Final Modification Report issued the Authority	August 2018
Authority decision due (25WDs)	August 2108
Decision implemented in Grid Code (10WDs)	April 2019

Appendix 2 – Revised Workgroup Timetable

Date	Meeting
Workgroup Meeting 1	28 June 2018
Workgroup meeting 2	30 July 2018
Workgroup Report presented to Panel (submission/presented)	9 August 2018

Post Workgroup modification process:

Date	Meeting
Code Administration Consultation Report issued to the Industry (opens/closes)	22 August 2018/12 September 2018
Draft Final Modification Report presented to Industry and Panel (issued/presented)	19 September 2018
Modification Panel Recommendation vote	27 September 2018
Final Modification Report issued the Authority	10 October 2018
Authority decision due (25WDs)	14 November 2018
Decision implemented in Grid Code (10WDs)	1 April 2019

GC0112 Attendance Register

A-Attended

X- Absent

Quorate

The GC0112 Workgroup was set up in alignment with the CUSC Legal separation workgroups, the Code Administrator thought there were five full workgroup members ahead of commencing the workgroups. Further through the workgroup meetings it came to light that one attendee was signed up for webex participation rather than being a full member. The Code Administrator advised the Panel that there were four workgroup members and sought the approval to proceed with the workgroup, this was granted.

Name	Organisation	Role	28 June 2018	30 July 2018	10 August 2018
Chrissie Brown	National Grid	Chair/ Code Administrator	A	X	A
Ren Walker	National Grid	Chair/ Code Administrator (Alternate)	X	A	A
John Martin	National Grid	Proposer	A	A	X
Angie Quinn	National Grid	Proposer (Alternate)	A	A	A
Garth Graham	SSE	Workgroup Member	A	A	A
Graeme Vincent	SP Energy Networks	Workgroup Member	A	A	A
Alan Creighton	Northern Powergrid	Workgroup Member	A	X	A
Jordan Clarke	Ofgem	Authority Representative	A	X	A

Grid Code Administrator Consultation Response Proforma

GC0112: National Grid Legal Separation Grid Code changes to incorporate NGESO

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 18 September 2018** to Grid.Code@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

These responses will be included in the Draft Final Modification Report to the Grid Code Panel ahead of their Recommendation Vote.

Respondent:	<i>Joshua Logan</i> Joshua.logan@drax.com 01757 612736
Company Name:	<i>Drax Power Ltd</i>
	<p><i>For reference the applicable Grid Code objectives are:</i></p> <p><i>(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;</i></p> <p><i>(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);</i></p> <p><i>(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;</i></p> <p><i>(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; and</i></p> <p><i>(v) To promote efficiency in the implementation and administration of the Grid Code arrangements.</i></p>

<p>1. Do you believe GC0112 better facilitates the Grid Code Objectives? Please include your reasoning</p>	<p>Yes, we believe that GC0112 better facilitates the Grid Code Objectives.</p> <p>Relevant Objective (iv) – Positive</p> <p>This modification is required to facilitate the legal separation of NGET and NGESO. GC0112 will place the appropriate obligations on NGESO as System Operator and the Transmission owners in accordance with the new NGESO Transmission Licence and modified NGET Transmission Licence obligations.</p>
<p>2. Do you support the proposed implementation approach? If not, please provide reasoning why.</p>	<p>We support the proposed implementation approach whereby once this modification is approved, some changes will be introduced but “suspended” until the date of legal separation. Other “implementation/transitional” provisions will be introduced after approval.</p>
<p>3. Do you have any other comments?</p>	<p>No.</p>

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Respondent:	<i>Rob Wilson robert.wilson2@nationalgrid.com</i>
Company Name:	<i>NGET</i>
	<p><i>For reference the applicable Grid Code objectives are:</i></p> <p><i>(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;</i></p> <p><i>(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);</i></p> <p><i>(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;</i></p> <p><i>(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; and</i></p> <p><i>(v) To promote efficiency in the implementation and administration of the Grid Code arrangements.</i></p>
1. Do you believe GC0112 better	Yes – in terms of (iv) once the licence changes to

<p>facilitates the Grid Code Objectives? Please include your reasoning</p>	<p>designate the National Grid Electricity System Operator (NGESO) are made in April 2019, and for (i)-(iii) as these are some of the potential attributes of separating out the function of the SO.</p>
<p>2. Do you support the proposed implementation approach? If not, please provide reasoning why.</p>	<p>Yes</p>
<p>3. Do you have any other comments?</p>	<p>No. The key principle of this modification is that there is no betterment – it only seeks to clarify, where references were made in the code to NGET (and in conjunction with modification GC0115 which established an additional definition of ‘The Company’), where requirements are for National Grid as the SO (NGESO) or TO (remains as NGET). Other users are unaffected.</p>

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Respondent:	<i>Graeme Vincent graeme.vincent@spenergynetworks.co.uk</i>
Company Name:	<i>SP Energy Networks</i>
	<p><i>For reference the applicable Grid Code objectives are:</i></p> <p><i>(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;</i></p> <p><i>(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);</i></p> <p><i>(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;</i></p> <p><i>(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; and</i></p> <p><i>(v) To promote efficiency in the implementation and administration of the Grid Code arrangements.</i></p>

<p>1. Do you believe GC0112 better facilitates the Grid Code Objectives? Please include your reasoning</p>	<p>Yes – the proposals better facilitate objective (iv) and by recognising the legal separation requirements between National Grid System Operator and National Grid Transmission Owner. It is acknowledged that the development of the GC0112 proposals made the minimal changes to the Grid Code necessary to reflect the legal separation requirements.</p>
<p>2. Do you support the proposed implementation approach? If not, please provide reasoning why.</p>	<p>Yes</p>
<p>3. Do you have any other comments?</p>	<p>We note that a further review of the Grid Code will be needed to ensure comparable treatment / requirements for all existing TOs particularly in relation to PC 6 and Appendix C of the Planning Conditions.</p> <p>In addition I've noticed a few comments on the proposed legal text;</p> <p>ECC.A.5.5.1 The table, the second column should be headed NGET rather than The Company.</p> <p>Also first paragraph below table references to The Company's should read NGET's</p> <p>OC8A.4.2.2 should there not be a reference to ECC.5.2 as well as CC.5.2?</p> <p>OC8A.4.3.6 as comment on OC8A.4.2.2 above.</p> <p>GC11.2 would it not be better to say"or in respect of the Electrical Standards in (a), (c) or (d) to the annex, the Relevant Transmission Licensee"..... I don't think there is an explicit need for NGET or Scottish Licensees to be considered separately – the process applies to the Relevant Transmission Licensees regardless of geographic location.</p>

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Respondent:	Alastair Frew
Company Name:	ScottishPower Generation
	<p><i>For reference the applicable Grid Code objectives are:</i></p> <p><i>(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;</i></p> <p><i>(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);</i></p> <p><i>(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;</i></p> <p><i>(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; and</i></p> <p><i>(v) To promote efficiency in the implementation and administration of the Grid Code arrangements.</i></p>

<p>1. Do you believe GC0112 better facilitates the Grid Code Objectives? Please include your reasoning</p>	<p>Neutral as this facilitates the separation of NGET it does not actually affect the Grid Code.</p>
<p>2. Do you support the proposed implementation approach? If not, please provide reasoning why.</p>	<p>It is not clear in the new GC appendix part B how other modifications are supposed to proceed during the period from approval of GC0112 until SO transfer date. As written it seems to suggest from approval until transfer then the “Pre GC0112 Grid Code” shall continue to apply this potentially puts other modifications on hold. For example BC4 has been implemented by GC0097 whilst this modification and GC0115 have been on-going so has been missed. So the question is what happens to other ongoing modifications?</p> <p>This modification is also based on GC0115 having been implemented as it changes some of the text from that modification, however it is not clear that GC0115 has been fully implemented.</p>
<p>3. Do you have any other comments?</p>	<p>ECC.A.5.5.1 needs to be changed to match CC.A.5.5.1. CC.5.2.1(h) does not match ECC.5.2.1(h). OC11.4.5 the word “then” could do with being removed after the word “the” to change it to “the current numbering”</p>