

Modification proposal:	Grid Code GC0061: Amendments Required to Implement the Electricity Supply Emergency Code (ESEC)		
Decision:	The Authority ¹ directs that the proposed modification to the Grid Code be made ²		
Target audience:	National Grid Electricity Transmission PLC (NGET), Grid Code users and other interested parties		
Date of publication:	10 October 2014	Implementation Date:	1 November 2014

Background to the modification proposal

The Electricity Supply Emergency Code³ (ESEC) outlines the process for rationing electricity in the event of a prolonged electricity shortage in Great Britain (GB) (or a specific region of GB). This will be carried out through a process known as 'rota disconnections' where network operators disconnect different 'blocks' of customers in turn to ensure demand for electricity does not exceed the available supply. To invoke the ESEC, the Secretary of State will issue a direction obtained through statutory powers⁴ to all affected network operators instructing them to implement rota disconnections.

During the week beginning 26 March 2012, the Department for Energy and Climate Change (DECC) ran a government-industry exercise (Exercise Faraday) to validate newly-developed ESEC arrangements. As a result of this exercise, it was noted that changes to the ESEC and the Grid Code are required to direct NGET to act as the central coordinator for rota disconnections for all network operators when the ESEC is invoked. DECC recently made the changes to the ESEC.⁵ Modification proposal GC0061 (the modification) was developed to reflect these changes in the Grid Code.

The modification proposal

NGET raised modification GC0061 in July 2014. It proposes to add text to paragraph OC6.1.5 of the Grid Code, reflecting the changes to the ESEC discussed above. Specifically, it explains that it is NGET's role to act, in accordance with instructions from the Secretary of State, to:

- coordinate the implementation of an agreed schedule of rota disconnections across all affected network operators' licence area(s)
- disseminate any information as necessary throughout the period of the emergency.

The specific changes to the Grid Code legal text are in Annex 1 to NGET's final report to the Authority.⁶

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ The latest version of the ESEC (dated 28 July 2014) appears on the NGET website:

<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-code/Modifications/GC0061/>

⁴ The statutory powers in question are the use of emergency powers obtained under the Electricity Act 1989 or through an 'Order in Council' under the Energy Act 1976.

⁵ See footnote 3 above.

⁶ <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-code/Modifications/GC0061/>

NGET's recommendation

NGET's final report, published on 24 September 2014, recommends that the modification is made. NGET considers that the modification better facilitates Grid Code objectives (i) and (iii) and is neutral with regard to objectives (ii) and (iv). NGET considers that the modification adds both clarity and transparency to the role of network operators when emergency powers are invoked by the Secretary of State.

Our decision

We have considered the issues raised by the modification and in the final report. We have taken into account the responses to NGET's consultation on the modification proposal which are included in the final report. We have concluded that:

1. implementation of the modification proposal will better help achieve the specified objectives of the Grid Code, and
2. approving the modification is consistent with the Authority's principal objective and statutory duties.⁷

Reasons for our decision

We agree that GC0061 would better facilitate Grid Code objectives (i) and (iii) for the reasons below. We consider that there is no impact on objectives (ii) or (iv).

Objective (i) 'To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity'

We consider that the proposed changes add clarity to the Grid Code. They remove potential confusion between the provisions of the Grid Code and those of the ESEC regarding NGET's role in coordinating rota disconnections and in disseminating relevant information. The proposed changes therefore help NGET to operate the transmission system in a more coordinated way when the ESEC is invoked. For this reason, we consider that GC0061 better facilitates this objective.

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

In our view, adding greater clarity and transparency to the Grid Code regarding the operation of rota disconnections when the ESEC is invoked, better facilitates this objective. Affected parties will have clarity as to how the process applies in these circumstances. This should help secure the operation of the transmission system in the event that electricity demand exceeds available supply. We therefore think that GC0061 better facilitates this objective.

Decision notice

In accordance with Standard Condition C14 of NGET's transmission licence, the Authority hereby directs that modification proposal GC0061 '*Amendments Required to Implement the Electricity Supply Emergency Code*' be made.

Gareth Evans

Head of Profession Engineering, Smarter Grids & Governance

Signed on behalf of the Authority and authorised for that purpose

⁷ The Authority's statutory duties are wider than matters which NGET must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.