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Emergency and Restoration EU Network Code Regulatory proposals amendment

Dear Leonardo,

In accordance with *COMMISSION REGULATION (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (NCER)*, the Transmission System Operators (TSO) of a member state are required to submit the following proposals to the relevant regulatory authority;

- a) the terms and conditions to act as a Defence Service Provider on a contractual basis in accordance with Article 4;
- b) the terms and conditions to act as Restoration Service Providers on a contractual basis in accordance with Article 4.
- c) The list of SGUs responsible for implementing on their installations the measures that result from mandatory requirements set out in Regulations (EU) 2016/631, (EU) 2016/1388 and (EU) 2016/1447 and/or from national legislation and the list of the measures to be implemented by these SGUs, identified by the TSOs under Art. 11(4)(c) and 23(4)(c);
- d) the list of high priority significant grid users referred to in Articles 11(4)(d) and 23(4)(d) or the principles applied to define those and the terms and conditions for disconnecting and re-energising the high priority grid users, unless defined by the national legislation of Member States.
- e) the rules for suspension and restoration of market activities in accordance with Article 36(1);
- f) specific rules for imbalance settlement and settlement of balancing energy in case of suspension of market activities, in accordance with Article 39(1);
- g) the test plan in accordance with Article 43(2).

This obligation was assigned to National Grid as National Electricity System Operator (NGESO) in the TSO allocation dated 10 January 2018¹.

National Grid ESO submitted proposals (a) to (f) listed above on 18 December 2018. On 21 June 2019 Ofgem published a Request for Amendment to this proposal. The proposal could not be

¹ <https://www.ofgem.gov.uk/publications-and-updates/minded-decision-assignment-tso-obligations-under-three-eu-network-codes>

approved until further measures are taken to ensure clarity of the Significant Grid User (SGU) list criteria, Terms and Conditions for Restoration and Defence Providers and reconsideration of High Priority Significant Grid Users in GB.

In addition, on 21 May 2019 NGESO had resubmitted the rules for suspension and restoration of market activities and rules for imbalance which are pending a decision from Ofgem.

The Test plan as required will be submitted by 18 December 2019 following consultation with GB parties.

Changes made

NGESO have considered feedback from the Regulator and updated the proposal as follows:

- a) Terms and Conditions mapping has been reviewed to only include all references that place obligations on GB Parties who are within the scope of the Emergency and Restoration Code. The target geographical distribution of power sources for restoration providers is part of NGESO's strategy for black start procurement which is subject to Ofgem's approval.
- b) The SGU criteria has been reviewed to ensure clarity of who is impacted and the ensuing obligations. In accordance with Articles 4.2, 4.4, 11.4(c) and 23.4(c) there is some scope for the SGU criteria to be determined on National Legislation, through Contractual terms and conditions. Following the second consultation on the System Defence Plan and System Restoration Plan in July/August 2019, numerous comments were received from Stakeholders that it was confusing to mix European Terms (e.g. SGU's, Defence Service Providers and Restoration Service Providers). There is therefore a view from Stakeholders that a clear view of who is in and out of scope of the Emergency and Restoration Code is all that is required. The general approach adopted is fundamentally that any party who is required to satisfy the requirements of the Grid Code and has a Connection and Use of System Code (CUSC) contract with the ESO would be considered to be within the Scope of NCER in GB. NGESO owns the list of CUSC parties and this list will be used to notify those parties if they are affected by NCER and any measures they need to take as a result of the introduction of the NCER. As noted above, and to simplify the arrangements for GB Parties the term SGU, Defence Service Providers and Restoration Service Providers has been replaced by 'GB Parties' based on feedback from stakeholders.

There is ongoing work to ensure distributed energy resources can provide services in a way that improves network coordination. Future changes to the industry may place more obligations on distribution connected parties as advised by outcomes of industry projects such as the Distributed Restoration Network Innovation Competition project, Grid Code Working Group GC0117 (Improving transparency and consistency of access arrangements across GB by the creation of a pan-GB commonality of Power Generating Module requirements) and the ENA Open Networks project that facilitates the transition of network operators from Distribution Network Operators to Distribution System Operators. This latter programme of work is planned to continue through to 2022.

- c) The High Priority SGU varies slightly between the System Defence Plan and System Restoration Plan but in general now includes Black Start Service Providers and Generators with Power Stations of 100MW or more with priority given to Synchronous plant. Following

the System Defence Plan and System Restoration Plan consultation, the term High Priority SGU has been replaced by High Priority Users with reference being made to OC6.1.6 of the Grid Code. In accordance with guidance from Ofgem, the existing Electricity Supply Emergency Code list of protected sites are not included as they are already part of national legislation.

The proposals have been submitted in order to meet the required deadlines however, the Grid Code modifications that are required to implement the necessary changes are still in progress and will be submitted by September 2019. Changes may be required to align with stakeholder views.

If you have any queries regarding this proposal, please contact Bernie Dolan on Bernie.Dolan@nationalgrid.com.

Yours Sincerely

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