








| Grid Code Modification Proposal Form | | At what stage is this document in the process? |
|---|--|--|
| <h1>GC0132</h1> <p>Mod Title: Updating the Grid Code governance process to ensure we capture EBGL change process for Article 18 Terms and Conditions (T&Cs)</p> | | <div>01 Proposal Form</div> <div>02 Workgroup Consultation</div> <div>03 Workgroup Report</div> <div>04 Code Administrator Consultation</div> <div>05 Draft Grid Code Modification Report</div> <div>06 Final Grid Code Modification Report</div> |
| <p>Purpose of Modification: To ensure that the governance process for making future changes to the European Balancing Guidelines (EBGL) Article 18 (A18) Terms and Conditions (“T and Cs”) that are found in the Grid Code incorporates the amendment process as laid out in EBGL Article 6 (A6) and Article 10 (A10).</p> | | |
|  | <p>The Proposer recommends that this modification should:</p> <ul style="list-style-type: none"> proceed to Code Administrator Consultation <p>These changes are only administrative changes to the Grid Code to ensure the EBGL change process is followed for all future modifications that impact on the A18 T and Cs found in the Grid Code.</p> <p>This modification was raised 11 September 2019 and will be presented by the Proposer to the Panel on 26 September 2019. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p> | |
|  | <p>High Impact: N/A</p> | |
|  | <p>Medium Impact N/A</p> | |
|  | <p>Low Impact Code Governance team at National Grid ESO; industry parties raising Modifications</p> | |

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| Timetable | |
| The Code Administrator recommends the following timetable: | |
| Code Administrator Consultation Report issued to the Industry | 11 October 2019 |
| Draft Final Modification Report presented to Panel | 20 November 2019 |
| Modification Panel decision | 28 November 2019 |
| Final Modification Report issued to the Authority | 13 December 2019 |
| Decision implemented in Grid Code | 4 April 2020 |
| | |
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| | |


 **Any questions?**


Contact:
Code Administrator

 email address


 telephone


Proposer:
Simon Sheridan

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 **07967765889**

National Grid ESO Representative:
 Insert name

 email address.

 telephone

Proposer Details

| | |
|--|-------------------------------------|
| Details of Proposer: (Organisation Name) | Simon Sheridan National Grid ESO |
| Capacity in which the Grid Code Modification Proposal is being proposed: (e.g. CUSC Party) | Electricity System Operator |
| Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address: | |
| Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address: | |
| Attachments (No): If Yes, Title and No. of pages of each Attachment: | |

Impact on Core Industry Documentation.

Please mark the relevant boxes with an "x" and provide any supporting information

| | |
|--------------|--------------------------|
| BSC | <input type="checkbox"/> |
| CUSC | <input type="checkbox"/> |
| STC | <input type="checkbox"/> |
| Other | <input type="checkbox"/> |

(Please specify) – No impacts because of this particular Modification

1 Summary

Defect

The Grid Code needs to incorporate the EBGL change process laid out in A6 and A10 of EBGL, for future amendments to A18 T and Cs for Balancing Service Providers (BSPs) and Balancing Responsible Parties (BRPs). This is currently proposed to be implemented by National Grid ESO for 4 April 2020.

Currently NGESO or the Authority are the only parties able to raise a change to the A18 T and Cs, which this means all other Grid Code parties raising Modifications will not be able to raise an A18 change proposal necessary for parts of the Grid Code that are identified as being part of the A18 T and Cs. Updating the Grid Code Governance process will ensure the EBGL process is followed and the modification process remains clear and impact is minimised for industry.

What

Updates need to be made to ensure that when future changes are made to the A18 T and Cs that are found in the Grid Code, the correct procedure is followed as laid out in EBGL.

In addition:

- Any Workgroup Consultation must be open for 1-month and all consultation responses received must be responded to by National Grid ESO, with justification as to why they will be considered or not.
- A draft EBGL A18 proposal must be also raised during the Grid Code modification process;
- There must be a process to ensure that any send back by the Authority goes back through the whole EBGL amendment process; and
- Grid Code Modifications raised that affect the A18 T and Cs will have to go to the Authority for a decision so Self Governance cannot be an option in these circumstances.

Why

We need to make this change to ensure that we remove the risk of the EBGL process not being followed and ensure the modification process remains as efficient and inclusive for all parties to the Code.

How

By making changes to the Grid Code Governance Rules we can capture the necessary changes, which will ensure the EBGL process is followed.

2 Governance

Requested Next Steps

This Modification should:

- follow standard governance process; and
- proceed to Code Administrator Consultation

These are administrative changes to the Grid Code Governance Rules only and therefore we suggest that this Modification goes straight to Code Administrator Consultation.

3 Why Change?

Making this change will ensure that we are compliant with EU law and the correct processes are followed.

- We need to make this change to minimise the risk of the EBGL process not being followed. EBGL A6 and A10 lay out the procedure that must be followed when making changes to the A18 T and Cs for BSPs and BRPs.
- Some of these T and Cs are found in the Grid Code and the current Governance Rules do not meet the requirements under EBGL - namely there is no 1-month workgroup consultation or responsibility on National Grid ESO to feedback justification against consultation responses.
- There is no process which recognises that an EBGL draft proposal needs raising or allows other Grid Code parties to do so.
- There is currently no process to ensure all Modifications go to the Authority or for capturing send back from the Authority.

4 Code Specific Matters

Technical Skillsets

Understanding of Code Governance processes and EBGL (specifically requirements in Articles 6, 10 and 18.

Reference Documents

EBGL guidelines

https://www.entsoe.eu/network_codes/eb/

Grid Code Governance Rules

<https://www.nationalgrideso.com/document/33816/download>

5 Solution

By making changes to the section of the Grid Code Governance Rules we can capture the necessary changes, which will ensure the EBGL process is followed.

Also ensuring that all Grid Code Parties can raise changes to the A18 T and Cs held within the Grid Code.

6 Impacts & Other Considerations

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

No

Consumer Impacts

None

7 Relevant Objectives

Mandatory for the Proposer to complete. Please delete the Grid Code Objectives that is not applicable.

Impact of the modification on the Applicable Grid Code Objectives:

| Relevant Objective | Identified impact |
|--|-------------------|
| (a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity | None |
| (b) Facilitating effective 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); | None |
| (c) 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; | None |
| (d) 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 |

| | |
|--|----------|
| (e) To promote efficiency in the implementation and administration of the Grid Code arrangements | Positive |
|--|----------|

This proposal positively impacts objectives d and e. Most obviously for d as this proposal is fundamental in ensuring that we capture the EBGL EU regulations and without it we run a high risk of being non-compliant running a process outside of the Grid Code framework. It also has a positive impact on administration of the Grid Code as it ensures that these processes are captured in the governance rules so that the code can still be managed in an efficient way by the Code Governance team without room for error. Updating the Grid Code Governance process will ensure the EBGL process is followed and the modification process remains clear and impact is minimised for industry.

8 Implementation

We need to be mindful of 4 April 2020 which is the current projected date that the EBGL A18 T and Cs will be implemented on.

However, we hope Ofgem will approve the A18 T and Cs on 4 October 2019.

Therefore, from the date Ofgem have granted such approval, we need to ensure that “in-flight” modifications also conform to the change process in EBGL to avoid the need for a further consultation post implementation i.e. after 4 April 2020.

9 Legal Text

Text Commentary

We have identified the areas of the Grid Code that need to be updated these are:

- Sections of the Governance Rules and the Glossary

These areas currently house the governance rules which surround the Workgroup Consultation procedure, and this is where these changes best sit to ensure compliance.

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to agree that

- This is a standard governance modification; and
- This modification should proceed to Code Administrator Consultation.