

Grid Code Administrator Consultation Response Proforma

GC0125 – EU Code Emergency & Restoration: Black Start testing requirements for Interconnectors, HVDC System Owners and Owners of Transmission DC Converters

Industry parties are invited to respond to this Code Administrator 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 **5:00pm** on **27 September 2019** to grid.code@nationalgrideso.com. Please note that any responses received after the deadline or sent to a different email address may not be included within the Draft Final Modification Report to the Grid Code Review Panel.

These responses will be included within the Final Modification Report which is submitted to the Grid Code Review Panel.

Respondent:	Alastair Frew
Company Name:	Drax Generation Enterprise Ltd
Please express your views regarding the Code Administrator Consultation, including rationale. (Please include any issues, suggestions or queries)	<ul style="list-style-type: none">(a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity(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);(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;(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(e) To promote efficiency in the implementation and administration of the Grid Code arrangements

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Code Administrator Consultation questions

Q	Question	Response
1	Do you believe that GC0125 better facilitates the Applicable Grid Code objectives? Please include your reasoning.	Yes as it implements EU law and also now enables Interconnectors to provide Blackstart services.
2	Do you support the proposed implementation approach?	Yes
3	Do you have any other comments in relation to GC0125?	No

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Respondent:	<i>Garth Graham (garth.graham@sse.com)</i>
Company Name:	<i>SSE Generation Ltd.,</i>
Please express your views regarding the Code Administrator Consultation, including rationale. (Please include any issues, suggestions or queries)	<p>(a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity</p> <p>(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);</p> <p>(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;</p> <p>(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</p> <p>(e) To promote efficiency in the implementation and administration of the Grid Code arrangements</p>

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Code Administrator Consultation questions

Q	Question	Response
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1	<p>Do you believe that GC0125 better facilitates the Applicable Grid Code objectives? Please include your reasoning.</p>	<p><u>Original</u></p> <p>Overall the Original proposal does not better facilitate the Applicable Grid Code Objectives.</p> <p>This is because the Original fails to implement the requirement in E&R NC for a harmonised and legally compliant approach to the terms and conditions to act as a restoration service provider in GB.</p> <p>As noted on page 14 of this consultation the Original ‘retains the current contractual <i>flexibility</i> or tender approach which is currently adopted in GB’.</p> <p>It does not reflect that the GB contractual arrangements, for restoration service providers, are now subject to the E&R NC requirements which sit, in law, above the GB framework and this does not accord with the ‘<i>flexibility</i>’ in contractual or tendering arrangements that the Original perpetuates.</p> <p>Furthermore, with the Original, all these <i>flexible</i> terms and conditions for GB restoration service providers are not subject to either public consultation or NRA approval, which is non-compliant with the E&R NC requirements (in Articles 4 and 7).</p> <p>As the European Commission has identified; in their Impact Assessment¹ into the Network Codes documentation; there are significant detrimental impacts on end consumers in applying a non-harmonised (‘<i>flexible</i>’) approach to the terms and conditions for the services required by the E&R NC including in the case of GC0125, restoration service providers. This, for example, the Commission noted leads to a less competitive market (which is not better in terms of Applicable Objectives (b) and (c)).</p> <p><u>WACM</u></p> <p>Overall the WACM proposal does better facilitate the Applicable Grid Code Objectives.</p>
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Q	Question	Response
		<p>In terms of (a) it is better because it permits the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity as it complies with the E&R NC, the Recitals of which address these items.</p> <p>In terms of (b) it is better because in specifying these requirements it will make it easier for interconnectors to offer black start as a restoration service, thereby opening up the market to more participants and increasing competition in a compliant contractual way that ensures a level playing field and does not (as the Original does) distort competition.</p> <p>In terms of (c) it is better because by encouraging more restoration service providers it will allow for additional system security should a black start/restoration event ever occur.</p> <p>In terms of (d) it is better because it discharges the obligations of the Emergency and Restoration Network Code to have harmonised terms and conditions for restoration service providers in GB frameworks that have been publicly consulted upon and subject to NRA approval.</p>
2	<p>Do you support the proposed implementation approach?</p>	<p>We note the comments in Section 10 as regards Implementation and we are mindful that a number of E&R NC requirements on the TSO (such as those regarding the notification of SGUs by the TSO by 18th December 2018) have still to be completed.</p> <p>We also note that given the deficiencies in the TSO's E&R NC submissions in respect of the System Defence Plan, the System Restoration Plan, the terms and conditions for system defence providers and system restoration providers etc., that it is not clear to us at this time that the 18th December 2019 deadline is achievable in any event.</p>

¹ Available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016SC0410>

3	<p>Do you have any other comments in relation to GC0125?</p>	<p>We are surprised and very concerned that the TSO has chosen not to adopt the straightforward legal text changes set out in the WACM within its Original proposal.</p> <p>We would urge the members of the GCRP and the Authority to take a moment to look at the simple difference in the legal text (between the WACM and the Original) which, in totality, is as shown below in red:</p> <p>“...in accordance with the terms and conditions to act as restoration service provider on a contractual basis approved by the Authority in accordance with Article 4 (2) (b) and (4).or as amended in accordance with Article 4(7), of Regulation (EU) 2017/2196.”</p> <p>It is a legal requirement, according to the two parts of Article 4 referenced in the WACM legal text (which we reproduce in blue text below) that this be done by the TSO – we have underlined the ‘shall’ in the quote from the relevant parts of Article 4 below to highlight that these are obligations on the TSO (and not, as the Original proposal does, apply an ‘optionality’ or ‘flexibility’ to the TSO performing these tasks).</p> <p>By not incorporating the WACM legal text changes into the Original the TSO is clearly putting into effect its preferred ‘flexibility’ approach to the terms and conditions for GB restoration service providers (which E&R NC does not legally permit).</p> <p>However, for those GB restoration service providers who contract on the TSO’s ‘flexibility’ basis there is the real risk that those terms and conditions, by being incompatible with the legal requirements in E&R NC, are invalid.</p> <p>In addition, we are not certain that the TSO would be permitted to seek to recover or the NRA would be able to approve the recovery, by the TSO, of any costs in accordance with Article 8 of E&R NC that the TSO has incurred in procuring restoration services from GB providers on the basis of terms and conditions that were not in accordance with the requirements of E&R NC.</p>
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Q	Question	Response
		<p>Furthermore, we note that the NRA does not have the power under E&R NC to derogate the TSO from their obligations, set out in the E&R NC, including in terms of the TSO having to comply with the requirements in Article 4 etc., regarding the GB terms and conditions for restoration service providers (which pertains to the Original and WACM).</p> <p>[Article 4] (2) “Each TSO <u>shall</u> submit the following proposals to the relevant regulatory authority in accordance with Article 37 of Directive 2009/72/EC for approval: (b) the terms and conditions to act as restoration service providers on a contractual basis in accordance with paragraph 4; [paragraph] 4. The terms and conditions to act as defence service provider and as restoration service provider <u>shall</u> be established either in the national legal framework or on a contractual basis. If established on a contractual basis, each TSO <u>shall</u> develop by 18 December 2018 a proposal for the relevant terms and conditions, which <u>shall</u> define at least: (a) the characteristics of the service to be provided; (b) the possibility of and conditions for aggregation; and (c) for restoration service providers, the target geographical distribution of power sources with black start and island operation capabilities.” [emphasis added]</p> <p>[Article] 4 (7) “If a TSO deems an amendment to the documents, approved in accordance with paragraph 3, to be necessary, the requirements provided for in paragraphs 2 to 5 <u>shall</u> apply to the proposed amendment. TSOs proposing an amendment <u>shall</u> take into account the legitimate expectations, where necessary, of power generating facility owners, demand facility owners and other stakeholders based on the initially specified or agreed requirements or methodologies.” [emphasis added]</p> <p>[end]</p>