

Gurpal Singh  
Ofgem

**By email**

04 July 2018

Dear Gurpal

**Grid Code Modifications Panel Recommended Timetable for GC0109 The open, transparent, non-discriminatory and timely publication of the various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s).**

On 21 February 2018, SSE raised GC0109. The GC0109 seeks to amend the Grid Code set out within the Grid Code the obligation on Network Operators to make available to market participants, in real time, all the types of Warnings etc., issued (including whether they 'activate' or 'deactivate' an action) so that market participants have a 'one stop shop' to find this information, in a user-friendly format.

On the 26 June 2018, The Proposer sent a request to the Grid Code Panel Secretary for the modification to be treated as urgent. The Proposer set out their rationale which can be found in Annex 1 of this letter. This included the time elapsed since the modification was proposed and the initial meeting being set up to assess the defect that has been identified. Please note that there is also a letter attached outlining Stakeholder concern around the progress of the modification which was also talked through in the most recent Grid Code Panel meeting held on the 28 June 2018.

The Grid Code Modifications Panel ("the Panel") considered GC0109 and the associated request for urgency at the Grid Code Modifications Panel meeting held on 28 June 2018. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

**Request for Urgency**

The Panel considered the request for urgency with reference to Ofgem's Guidance on Code Modification Urgency Criteria. The majority view of the Panel is that **GC0109 does meet** these criteria and **SHOULD** be treated as an Urgent Grid Code Modification Proposal.

In the discussion, members of the Panel noted the following;

- A number of stakeholders have written to the Chair of the Panel to express their concerns around the immediate significant impact of this modification and therefore the modification should be treated

- Other Panel members noted that this work needed to be completed but did not agree unanimously that it needed to be completed urgently.

It was noted that prior to the request for urgency received on the 26 June 2018 and the stakeholder feedback received that the modification had been placed towards the bottom of the priority list of modifications. Following the discussions held at the Panel meeting on the 28 June the prioritisation of the modification was reassessed and moved towards the middle of the prioritisation list for Grid Code modifications.

## Procedure and Timetable

Having decided to **recommend urgency** to Ofgem, the Panel discussed an appropriate timetable for GC0109.

The Panel agreed that GC0109 subject to Ofgem's decision on Urgency should follow the attached Code Administrators proposed timetable (Appendix 2 **Urgent recommendation**). This was supported by majority view.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Trisha McAuley OBE  
Independent Chair of the CUSC and Grid Code Panel

## Appendix 1 – GC0109 Request for Urgency

### Introduction

It has come to my attention, following discussions at the 6<sup>th</sup> June 2018 GCDF meeting, that a number of stakeholders have, I believe, collectively written to you (as Secretary of the Grid Code Panel) and / or the Panel Chair regarding the prioritisation / progression of GC0109; which I'm the proposer of; saying that the proposal "*should be taken forward with urgency*" (see attached letter)

I share, and would wish to echo, these stakeholder concerns.

## Urgency

It seems to me that the concerns raised by those stakeholders are important as they have identified, in my view, a **date related imminent issue** (of the forthcoming winter [i]) **that, if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s).**

In my view these concerns accord with Ofgem's urgency criteria (dated 17<sup>th</sup> February 2016); namely that if the proposed solution for GC0109 is not introduced by this coming winter 2018/19 that this may cause a significant commercial impact on parties.

When GC0109 was first raised (in February this year) it was reasonable for us to expect that as a non complex modification that it could (and would) have progressed through the Grid Code change process within less than six months (circa August) such that Ofgem would have been able to opine on the change (taking into account their 25 days KPI) in time for its implementation (if Ofgem so opined) this winter.

For reasons which you will be familiar with, the introduction of, and application to GC0109, of the prioritisation approach by the Grid Code Review Panel now means that GC0109 could not be implemented (if Ofgem so opined) for this coming winter unless it is treated as urgent - or (possibly?) re-prioritised – so to do.

## Firm Frequency Response tender

In addition to the concerns of those stakeholders I would also like to flag up a more recent development that is also relevant.

On 18<sup>th</sup> June 2018 National Grid published their post tender Firm Frequency Response results information [ii].

This information shows (at lines 369-371 of the National Grid spreadsheet) that Electricity North West Ltd has been successful in bidding into the recent FFR tender for June 2018 delivery.

This appears to be related to the use of voltage reduction measures which are relevant as one of a number of Demand Control measures set out in OC6 of the Grid Code.

You may recall that as the proposer of GC0109 I'd identified within the proposal (Section 1, 'Why') that:

*“Currently there is a lack of equality and equivalence in terms of the provision of information associated with certain ‘emergency’ type situations on the GB electricity system. A limited number of market participants are placed in an advantageous position as a result of this asymmetry of information.”*

And

*“Currently some market participants; such as, but not limited to, the Transmission System Operator, DNOs (DSOs), Suppliers and Generators; may (will?) have access to various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s) which, under the current GB national industry arrangements, either (i) may not be available, in a timely manner, to other market participants or (ii) may not be available at all to other market participants. This proposal would provide accessibility for market participants to market relevant information in a timely manner”*

As you may be aware, according to Ofgem’s list of licensees [iii] ‘Electricity North West Limited’ is listed as a DNO.

In my view it seems to me that Electricity North West Ltd, as both a DNO and a participant in the market may therefore possibly be (as I noted in GC0109) *“placed in an advantageous position as a result of this asymmetry of information”* as it could have *“access to various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator”* that other market participants will not (currently) have access to.

GC0109 seeks to address this asymmetry of information by treating all participants in the market in the same way by providing equal *“access to various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued”*.

Given the recent FFR tender situation this, in my view, identifies another **date related current issue that, if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s)** linked to ongoing market arrangements which is in addition to (and accords with) the imminent issue of the Winter 2018/19 timing matter that other stakeholders have identified (see above).

### Ofgem’s Urgency Criteria

In coming to this view I’m mindful of Ofgem’s urgency criteria [iv] and, in particular, their statement that:

*“Our current view is that an urgent modification should:*

*1. Be linked to an **imminent issue** [footnote 3] or a **current issue** that if not urgently addressed may cause:*

*a. **A significant commercial impact** on parties, consumers or other stakeholder(s);” [emphasis in the Ofgem document].*

[footnote 3] *“The imminent issue may be date related”*

I appreciate that, as Ofgem noted in February 2016, “the Grid Code currently contain no specific rules on urgency” [emphasis added].

However, as Ofgem’s decision letter [v] of a year later (6<sup>th</sup> February 2017) in respect of their approval of GC0086 pointed out:

*“The [GC0086] proposal seeks to modify the Grid Code in order to implement open governance. The proposed changes include:…[a] process for urgent modifications.”*

This was also picked up later in the decision when Ofgem considered if GC0086 better met the applicable objectives and, in particular, (v) where they stated that:

*“GC0086 also introduces a formal process for considering modification proposals on an urgent basis, meaning that time-sensitive code changes can be dealt with in an efficient way.”*

GC0086 was approved by Ofgem on 6<sup>th</sup> February 2017, and implementation occurred ten working days later (20<sup>th</sup> February 2017).

In passing, as the proposer of GC0086, I’d like to record my thanks for the helpful views that National Grid expressed on this matter, namely:

*“National Grid supports the introduction of a more formalised Urgent process for the Grid Code, as proposed by the GC0086 original proposal.”*

I appreciate that when GC0109 was first raised (back in February) that I’d not asked for it to be treated urgently; although I did set out (in Section 8 ‘Implementation’) that:

*“This modification should be implemented at the earliest practical opportunity and, ideally, before winter (October) 2018”.*

That having been said, the possibility that the status of a Modification proposal, such as GC0109, can change from ‘non-urgent’ to ‘urgent’ is accepted by Ofgem in their urgency criteria:

*“Can the status of a modification proposal be changed?”*

*Yes, the status of a modification proposal may change from “urgent” to “non-urgent” and vice versa, if a change in circumstances relating to that proposal warrants it.”*

### Request for Urgency

Given these recent changes of circumstance during the course of the past few weeks (since the last Grid Code Review Panel meeting) and for the reasons I have set out above; and being mindful of the procedure set out in GR23.1; I’d like as a relevant party to formally recommend to you, as the Panel Secretary, that GC0109 should be treated as an **Urgent Modification**

in accordance with GR.23 and I would appreciate it if you could kindly notify the Panel Chairman accordingly.

I'm mindful that the next scheduled Grid Code Review Panel meeting is on this coming Thursday (28<sup>th</sup> June) – which I'm due to attend to present GC0117 – and it would seem to me appropriate to obtain the views of the Grid Code Review Panel at that meeting (rather than, for example, by seeking a special Panel meeting prior to Thursday). In this regard I'm happy to be available to answer any questions Panel members may have at that meeting on this matter.

May I take this opportunity to thank you in advance for your assistance with this matter.

Yours sincerely

(Garth Graham)

Footnotes:

[i] Within the electricity industry 'Winter' has tended to be taken to be the 'clock change' (due to occur on 28<sup>th</sup> October this year) although there are other approaches, such as the Capacity Market delivery year (which starts on 1<sup>st</sup> October) and the TRIAD period (which starts on 1<sup>st</sup> November and runs to the end of February).

[ii] This can be found at:

<https://www.nationalgrid.com/uk/electricity/balancing-services/frequency-response-services/firm-frequency-response?market-information=&page=2>

[iii]

[https://www.ofgem.gov.uk/system/files/docs/2018/06/electricity\\_registered\\_or\\_service\\_addresses\\_new.pdf](https://www.ofgem.gov.uk/system/files/docs/2018/06/electricity_registered_or_service_addresses_new.pdf)

[iv] [https://www.ofgem.gov.uk/system/files/docs/2016/02/urgency\\_criteria.pdf](https://www.ofgem.gov.uk/system/files/docs/2016/02/urgency_criteria.pdf)

[v] <https://www.nationalgrid.com/sites/default/files/documents/8589938804-Decision%20Letter.pdf>

[v] On page 58 of Volume 1 of the GC0086 FMR.

[end]

## Appendix 2– Timetables for consideration

**Timetable 1:** Urgent timetable for implementation ahead of clock change/28 October 2018:

Modification Stage	Date
Request for Urgency received	26 June 2018

Publish Workgroup Consultation (15WDs)	13 August 2018
Workgroup Consultation closing date	28 August 2018
Workgroup Report to Grid Code Review Panel	6 September 2018 (Special meeting w/c 10 Sept)
Publish Code Administrator Consultation (5WDs)	14 September 2018
Code Administrator Consultation closing date	21 September 2018
Draft Modification Report to Grid Code Review Panel and Industry (3 WDs)	24 September 2018
Grid Code Review Panel Recommendation Vote	28 September 2018
Submit Final Modification Report to Authority	03 October 2018
Authority Decision ( <b>15WDs</b> )	24 October 2018
Date of Implementation	27 October 2018

**Timetable 2:** Re-prioritised **non-urgent** timetable

<b>Modification Stage</b>	<b>Date</b>
Request for urgency received	26 June 2018
Publish Workgroup Consultation (15WDs)	24 September 2018
Workgroup Consultation closing date	15 October 2018
Workgroup Report to Grid Code Review Panel	14 November 2018
Publish Code Administrator Consultation (15WDs)	16 November 2018
Code Administrator Consultation closing date	7 December 2018
Draft Modification Report to Grid Code Review Panel and Industry (5 WDs)	11 December 2018
Grid Code Review Panel Recommendation Vote	19 December 2018
Submit Final Modification Report to Authority	07 January 2019
Authority Decision (25WDs)	11 February 2019
Date of Implementation	25 February 2019