

Grid Code Administrator Consultation Response Proforma

GC0143: 'Last resort disconnection of Embedded Generation'

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 **17:00** on **5 May 2020** 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 Final Modification Report to the Authority.

Any queries on the content of the consultation should be addressed to Christine Brown at christine.brown1@nationalgrideso.com

These responses will be included within the Draft Grid Code Modification Report to the Grid Code Panel and within the Final Grid Code Modification Report to the Authority.

Respondent:	Luke Roberts, Director lroberts@bluefieldllp.com
Company Name:	Bluefield Partners LLP (advisor to the Bluefield Solar Income Fund)
Please express your views regarding the Code Administrator Consultation, including rationale. (Please include any issues, suggestions or queries)	<p><i>For reference, the Applicable Grid Code objectives are:</i></p> <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.

Code Administrator Consultation questions

Q	Question	Response
1	Do you believe GC0143 better facilitates the Grid Code Objectives? Please include your reasoning.	We are concerned that this approach could lead to the disconnection of the most cost effective and lowest carbon generation technologies, particularly solar PV, at a time when they are at peak output.

2	Do you support the proposed implementation approach?	<p>We agree and support that action is taken to prevent a blackout or other security of supply issues and appreciate that in these unprecedented circumstances there is need to respond quickly to potential threats to security of supply as and when they arise.</p> <p>However, we note that this code modification is addressing an issue that has already been known about for some time, and we seek additional clarity from the ESO that this last resort approach will not set a precedent for embedded generation going forwards.</p> <p>We further ask for clarity as to why other forms of more carbon-intensive generation are not being prioritised for temporary disconnection or curtailment, considering the UK Government’s commitment to the 2050 carbon net zero targets.</p> <p>Further, this modification, though temporary, covers the months when solar PV output is highest and therefore most at risk of being curtailed without compensation.</p> <p>We ask that a ‘back-stop’ date be considered, for when this arrangement will contractually end, allowing for a full and proper consultation and implementation process to be followed.</p> <p>We ask that there be urgent clarification of how generators will be both selected for curtailment or disconnection, how generators will be compensated if curtailed or disconnected and whether compensation will include lost revenues from applicable ROC and FiT subsidy schemes.</p> <p>We ask for urgent clarification that NGENSO must consider current flexible generation options before considering embedded generators and, furthermore, that NGENSO will be expressly mandated to reach commercial resolution with those generators <u>before</u> opting to instruct DNO’s to disconnect any such generators.</p> <p>We would welcome clarity on the rationale and procedures by which embedded generators will be selected for either Optional Downward Flexibility Management Service curtailment or DNO-led disconnection and confirmation that any embedded generation facilities will not be repeatedly selected if other options are available.</p>
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Q	Question	Response
		<p>We would welcome and recommend clarity about whether and when the implementation and impact of GC0143 will be reviewed prior to the October sunset date.</p> <p>We echo the concerns raised by the Grid Code Review Panel that the legal text of this modification provides no safeguard to prevent the ESO from relying upon emergency disconnection of embedded generation as an alternative to reaching a commercial arrangement with generators. Additional clarification is needed to ensure that this does not happen. We urge the ESO to clearly demonstrate how GC0143 will be used only as a "last resort".</p>
3	<p>Do you have any other comments in relation to GC0143?</p>	<p>We support the development of a permanent solution to amend any defect in the Grid Code which has been identified. A permanent solution should take into account compensation for impacted generators, and clearly outline under what parameters disconnection would be required.</p> <p>We would also highlight that these stress events underscore the need for National Grid to work closely with Ofgem to implement the necessary regulatory and market reforms to deliver the flexible and resilient networks of the future.</p> <p>In line with the Government's net zero targets, and the ESO's commitment to support 100% zero carbon generation by 2025, we urge that the RIIO2 process and network charging review be targeted to enable the flexibility required support increased zero carbon generation, while maintaining security of supply and delivering benefits for consumers.</p> <p>Additional flexibility markets and mechanisms need to be made available to ensure that all curtailment of embedded generation is compensated. Flexibility markets should include clear decarbonisation targets to support the deployment of the lowest carbon options available.</p>