

## 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](mailto: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](mailto: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.

<b>Respondent:</b>	Paul Bedford
<b>Company Name:</b>	Opus
<b>Please express your views regarding the Code Administrator Consultation, including rationale. (Please include any issues, suggestions or queries)</b>	<p><i>For reference, the Applicable Grid Code objectives are:</i></p> <ul style="list-style-type: none"><li>(a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity</li><li>(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);</li><li>(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;</li><li>(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</li></ul>

(e) To promote efficiency in the implementation and administration of the Grid Code arrangements.

### Code Administrator Consultation questions

Q	Question	Reponse
1	<b>Do you believe GC0143 better facilitates the Grid Code Objectives? Please include your reasoning.</b>	<p>To the extent that the proposal may improve security of transmission and distribution networks the modification is positive against Grid Code Objective (c). We are not in a position to dispute the necessity of the modification given that the ESO predicts that it may have a security of supply issue on the 8<sup>th</sup> May 2020 without its implementation.</p> <p>Given the urgent timescales it has not been possible to analyse the potential market effects or impact on other applicable code objectives. However, we would offer the following observations on how applicable objectives could be negatively impacted.</p> <p>Objectives (a) and (b) could both be negatively impacted. Firstly, on competition (a) and distortion of the market (b). Under the proposal there is no measure made or assessment criteria offered to ensure that the decision is being made as a 'last resort'. This undermines competition in the provision of services and potentially distorts any market for services that may be used by the ESO prior to the issuing of the emergency instruction to the Distribution Network (DN). This lack of transparency could lead to distortions created between DNs that are asked to reduce the embedded generation located in their networks – what criteria is applied by either the ESO or the DNs is completely opaque to owners of embedded generation and their suppliers. This is inefficient as neither the site nor supplier can predict the scale of impact on their operations and cannot make decisions to adequately mitigate these risks.</p> <p>This ultimately means that embedded generators or their suppliers could also be put out of balance by the collective actions of the networks without any compensation. Finally, it is not clear how sites will be physically instructed off safely, or how all sites will be reinstated safely. There does not</p>

Q	Question	Reponse
		<p>appear to be any guidance as to the timeframe an embedded generator could expect to be disconnected or if the measure can be executed on a rota basis.</p>
2	<p><b>Do you support the proposed implementation approach?</b></p>	<p>Given that the ESO asserts it may not be able to securely operate the system from the 8<sup>th</sup> May 2020 until the 24<sup>th</sup> October 2020 without this modification then we support implementation.</p> <p>We would request that if Ofgem approve the request that they direct the ESO and DNs to introduce appropriate reporting and transparency measures. For example, for the ESO to publish on its website an assessment of the likelihood that the ESO will instruct embedded generators to be disconnected in each network on a day ahead basis.</p> <p>The inclusion of the sunset clause implies that these measures are not needed/suitable on an enduring basis and that the ESO will bring forward a more considered solution that meets its current and future requirements and provides greater certainty and clarity for market participants. The current proposals increase uncertainty for suppliers and embedded generators and are inefficient as neither the site nor supplier can predict disconnection risk, the scale of impact on their operations, or make decisions to adequately mitigate these risks.</p>
3	<p><b>Do you have any other comments in relation to GC0143?</b></p>	<p>It is not clear why the ESO had not included these provisions within the relevant codes before now, and suggests a gap exists in the ESO's assessment of risks to the system and networks emergency planning protocols. We believe this modification will need replacing with enduring arrangements that along with the ESO developing commercial tools to protect the system should:</p>

Q	Question	Reponse
		<ul style="list-style-type: none"> <li>• Provide compensation to non-BM parties for providing non-contracted balancing services at the ESO or distribution network request.</li> <li>• Ensure that a Supplier's trading position is maintained when non-BM parties are disconnected by networks.</li> <li>• Develop an appropriate scope and define any limitation on forced disconnection of embedded generation. For instance, it could be defined that embedded generators less than 5MW will not be disconnected by the ESO.</li> <li>• Disconnection procedures should be clear and manageable by DNs if they are to be used. This should be a safe transparent and controlled process and include appropriate engagement and forewarning to the embedded generator.</li> <li>• Networks should always ensure that suppliers and embedded generators connected to their networks should have the maximum period of notice to disconnect safely.</li> <li>• Protocols need to be developed to determine which embedded generators are disconnected by the ESO and networks. There needs to be an equitable process developed to ensure that where disconnection occurs over an extended period that the impact is distributed evenly between embedded generators.</li> </ul>