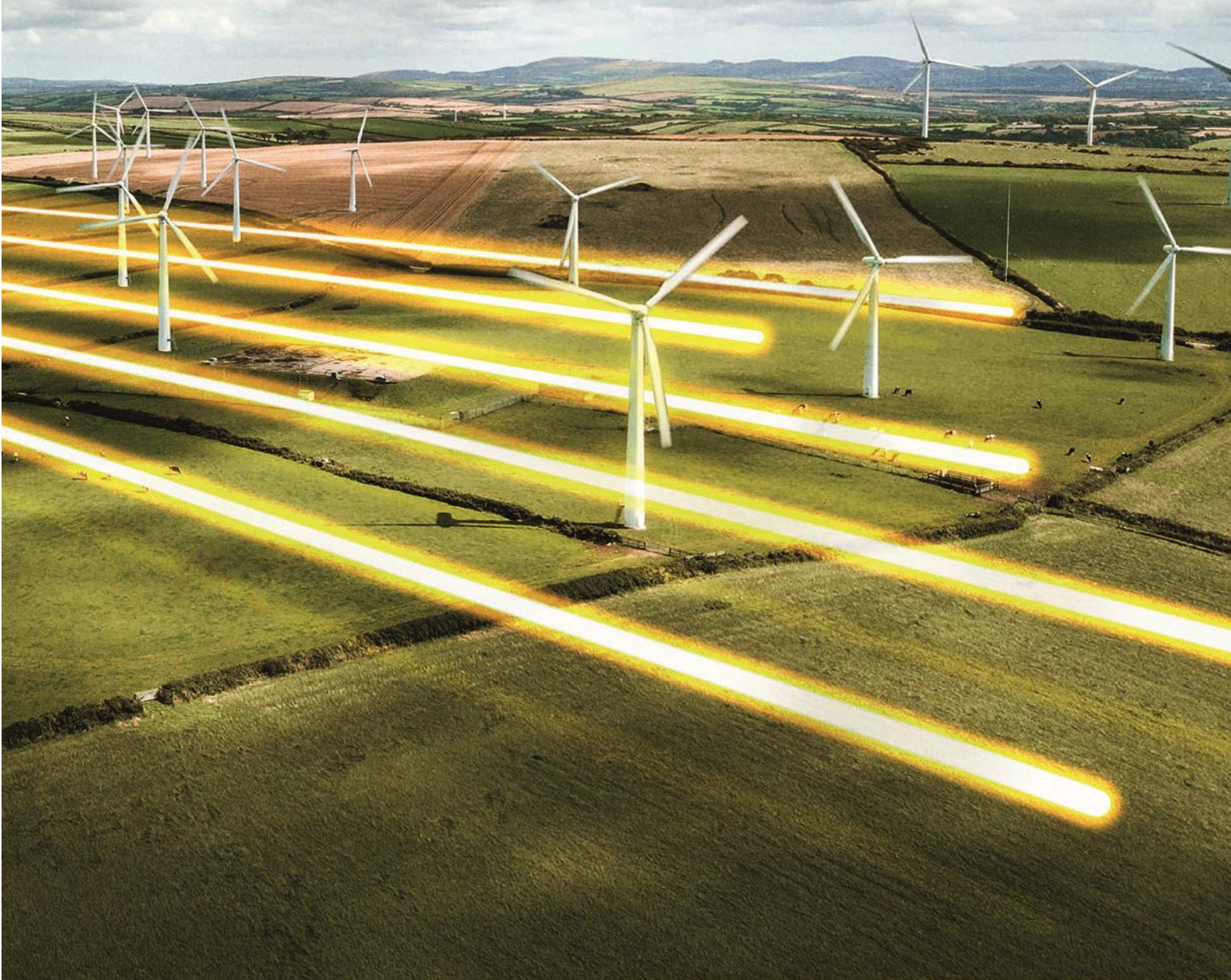


Annual Report

ESO Code Administrator

2019 - 2020



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Background

Introduction

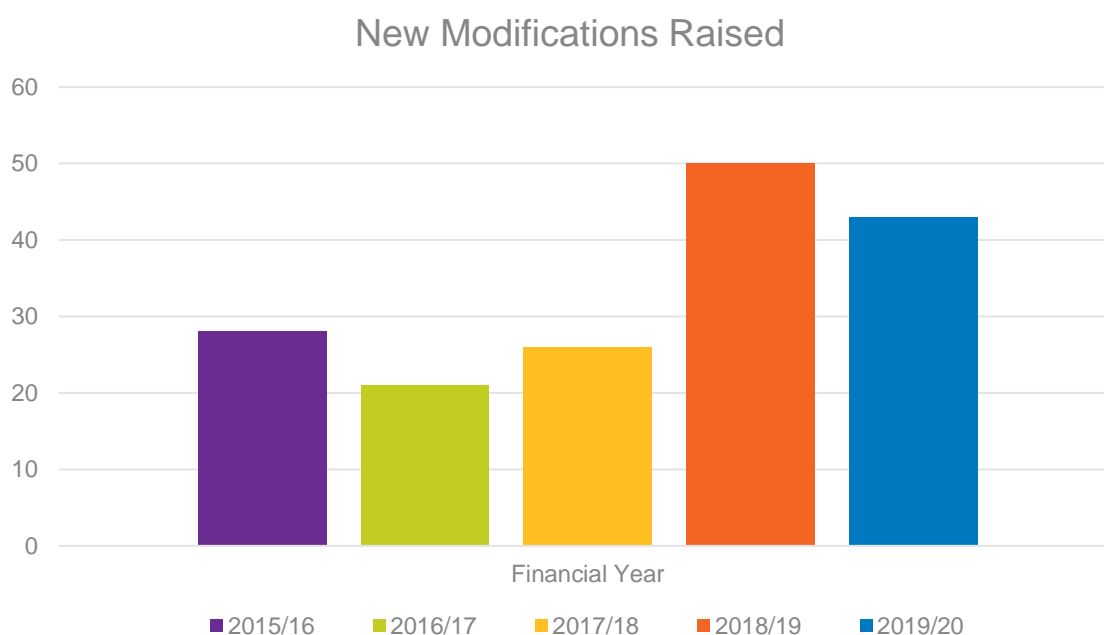
ESO Code Administrator is responsible for administering the following codes:

- Connection and Use of System Code (CUSC)
- Grid Code (GC)
- System Operator – Transmission Owner Code (STC)
- Security & Quality of Supply Standard (SQSS)

Our industry is changing at a rapid pace.

We are seeing increasing numbers of parties in the electricity industry with differing information needs and preferences. As a code administrator, we believe that we can do more to keep people informed of how our frameworks are developing and create opportunities for network users to contribute to their development.

With the increase in numbers of parties, we have seen a significant difference in complexity of modifications raised, as well as an increase in the amount of new modifications being raised across our codes as noted below:



We believe that one of the ways that we can do more, is by producing this annual report that offers our stakeholders more detailed insights into our activities, key metrics and data available on our modifications. We hope that this provides more transparency and clarity on how we perform and in turn, helps to build trust. We feel this document will provide more detail behind some of the more frequently reported metrics we produce in the wider ESO publications.

Our Role

Our role as Code Administrator is to be a custodian of our codes and a facilitator of the change process; ensuring consumer benefit is delivered. In delivering our role, we work to the principles of ensuring all network users have access to the change process and opportunity to contribute to it. In our rapidly changing industry, our role is also evolving to best meet the needs of network users today and in the future to achieve our ambition of delivering benefits to end consumers.

Understanding consumer benefits is paramount in order to successfully increase service provision. With a huge increase in demand on resource across industry and a significant increase in change across codes, it has been important that we learn lessons from feedback and provide a transparent, fair and simplified process with which to engage.

An example of understanding consumer benefit can be found in the way the ESO Code Administration team have prioritised modifications. With a high volume of modifications, it became unfeasible to progress them all at the same time. We understood that the whole of industry has limited time and our stakeholders needed to know realistic timescales up front and we therefore built a process for the code panels to prioritise all live modifications.

Our panels and wider stakeholders have welcomed this approach and we feel this provides robust and transparent information for industry. Our aim is to continue to build on this process to provide more detail behind the decisions so that it is clear to see how and why these modifications are prioritised. It has never been so important for us to make a step change in the way that we work.

The next chapter provides more detail about some of the other change initiatives we have embarked on and why this has been necessary.

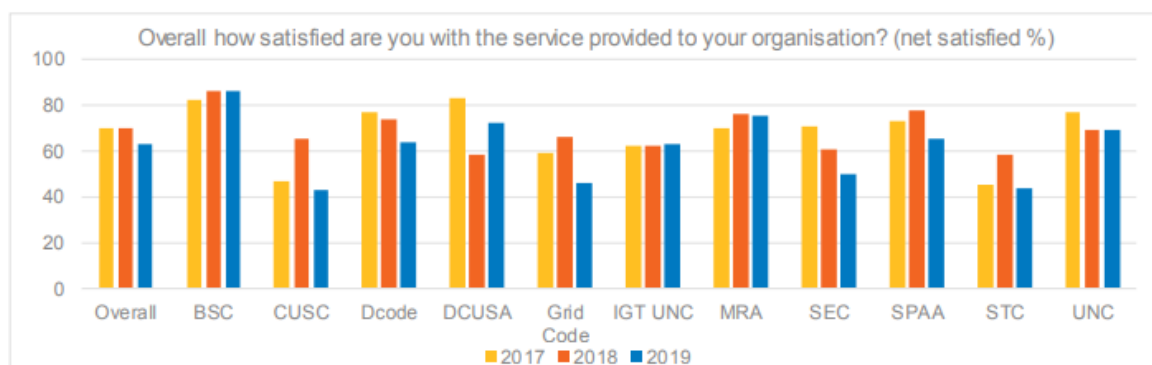
Our role is a licensed activity and is set out in more detail within the codes themselves. These specific activities include:

- Access to our codes
- Access to all documentation related to the development of each modification
- Support for parties proposing modifications
- Host industry workgroups
- Host regular code panels
- Public consultations on all proposed changes
- Implement approved changes to our codes
- Alerts to industry at every stage of the process

CACoP Results and the ESO Code Administrator Forward Plan

Ofgem produce a survey each year that provides insights into industry trends and feedback on specific codes performance. For the period of 2019 to 2020, the ESO Code Administrator received poor results and feedback which we were extremely disappointed with. It is important to note that there are significant differences between the commercial models of the Code Administrators as well as the content matter of the individual codes and therefore the level of service provided should not be compared as like for like.

As shown in the table below, satisfaction across the ESO Code Administrators three main codes was lower than previous years.



Feedback told the team that resource across industry was scarce and so it was essential that anything that the team produced should be clear, transparent and strike the balance between providing critically important technical detail and being able to speak to the whole of industry.

The results also told us that there was a lack of trust and while it did not specifically distinguish if this was with the ESO, or specifically the Code Administrator, we felt it was important to do everything possible to be as open and transparent as possible.

There was a lot of feedback around the ESO Code Administrator website pages. It told us that industry found it difficult to find information and often it was out of date.

We used this as an opportunity to analyse the detail and feedback within the survey, as well as our own data, to put together an internal improvement plan and create Forward Plan deliverables that would not only remedy some of the main industry frustrations but stretch us to think about what else we could achieve. Some of the specific ways in which we have improved are highlighted below. More information on the full Forward Plan and our deliverables, can be found [here](#).

Stakeholder feedback told us:	We promised to address it by:
Our reports were difficult to read	Consulted with panels & other stakeholders, took on board CACoP survey feedback and created a new look template. Trialled it with CUSC, held a webinar and then rolled it out across our codes. Positive feedback received. Ongoing consultation and refinement with stakeholders to ensure it meets expectations.
Our website was out of date, hard to navigate	We invested in working with an external agency to rework our codes pages. We consolidated information, made it more transparent and user friendly. Feedback has been positive so far.
We could do more with our role as a critical friend	We have created a robust process using Plain English and easily digestible documentation that educates the industry on the governance process and increased service provision to modification proposers.

Panel Meetings

Across our codes, panels are made up of a Panel Chair, a Panel Technical Secretary, a Code Administrator representative, Panel Members, consumer representatives and authority representatives.

Panels meet every month (except for SQSS that meets less frequently) and meet on an ad hoc basis when required. Our Panels serve to;

- Evaluate and administer amendments to the code
- Review any consequences of those amendments
- Administer the code itself
- Establish joint working arrangements
- Prioritise modifications

Our Panels work tirelessly to provide informed input, challenge and recommendations on behalf of industry. We are hugely appreciative of the support they provide and the independence they stand for. In 2019/20 we facilitated 44 Panel and Special Panel meetings across our codes.

Code	Normal Panel	Special Panel	Total
CUSC	12	5	17
Grid Code	12	1	13
STC	11	0	11
SQSS	3	0	3
Total			44

All of those associated with our Panels are listed below Please note that some members may have changed later in the year:

Name	Role
Paul Mullen	ESO Code Administrator Representative for CUSC
Nisar Ahmed	ESO Code Administrator Representative for Grid Code
Rob Pears	Grid Code Technical Secretary
Christine Brown	STC & SQSS Panel Chair
Ren Walker	STC & CUSC Technical Secretary
Jennifer Groome	SQSS Technical Secretary

CUSC Panel

Name	Role
Trisha McAuley	Independent Panel Chair
Jon Wisdom	National Grid ESO Panel Member
Andy Pace	Consumers' Panel Member
Paul Jones	Users' Panel Member
Simon Lord	Users' Panel Member
Garth Graham	Users' Panel Member
Robert Longden	Users' Panel Member
Paul Mott	Users' Panel Member
Cem Suleyman	Users' Panel Member
Michael Jenner	Users' Panel Alternate
Kate Dooley	Users' Panel Alternate
Trevor Rhodes	Users' Panel Alternate
Damian Clough	ELEXON - Observer
Nadir Hafeez	Authority Representative

Grid Code Panel

Name	Role
Trisha McAuley	Independent Panel Chair
Alan Creighton	Network Operator Representative
Alastair Frew	Generator Representative
Christopher Smith	Offshore Transmission Licensee Representative
Damian Jackman	Generator Representative
Graeme Vincent	Network Operator Representative (Alternate)
Gurpal Singh	Authority Representative
Guy Nicholson	Generator Representative
Jeremy Caplin	BSC Panel Representative
Joseph Underwood	Generator Representative
Martin Queen	Authority Representative (Alternate)
Matthew White	Network Operator Representative (Alternate)
Nick Rubin	BSC Panel Representative (Alternate)
Richard Woodward	Onshore Transmission Licensee Representative (Alternate)
Rob Wilson	National Grid ESO Representative
Robert Longdon	Supplier Representative
Ross McGhin	Onshore Transmission Licensee Representative
Sigrid Bolik	Generator Representative (Alternate)
Steve Cox	Network Operator Representative
Tony Johnson	National Grid ESO Representative (Alternate)

STC Panel

Name	Role
Christine Brown	ESO Panel Chair
Neil Sandison	Scottish Hydro Electric Transmission Plc (Onshore Transmission Owner)
Milorad Dobrijevic	Scottish Power Transmission Plc (Onshore Transmission Owner)
Deborah Macpherson	Scottish Power Transmission Plc (Onshore Transmission Owner)
Mike Lee	Transmission Capital (Offshore Transmission Owner)
David Lyon	Blue Transmission (Offshore Transmission Owner)
Jonathan Coe	Authority Representative
Roberta Fernie	Authority Representative
Alan Inman	Scottish Hydro Electric Transmission Plc (Onshore Transmission Owner) Alternate
Matt Baller	National Grid ESO (Alternate)
Rob Wilson	National Grid ESO
Neil Bennett	Scottish Hydro Electric Transmission Plc (Onshore Transmission Owner)
Andrew Urquhart	Scottish Hydro Electric Transmission Plc (Onshore Transmission Owner) Alternate
Adam Brown	National Grid Electricity Transmission Plc (Onshore Transmission Owner)
Richard Woodward	National Grid Electricity Transmission Plc (Onshore Transmission Owner)
Keith Jones	National Grid ESO
Nicola Bruce	National Grid ESO
Gareth Hislop	Scottish Power Transmission Plc (Onshore Transmission Owner) Alternate

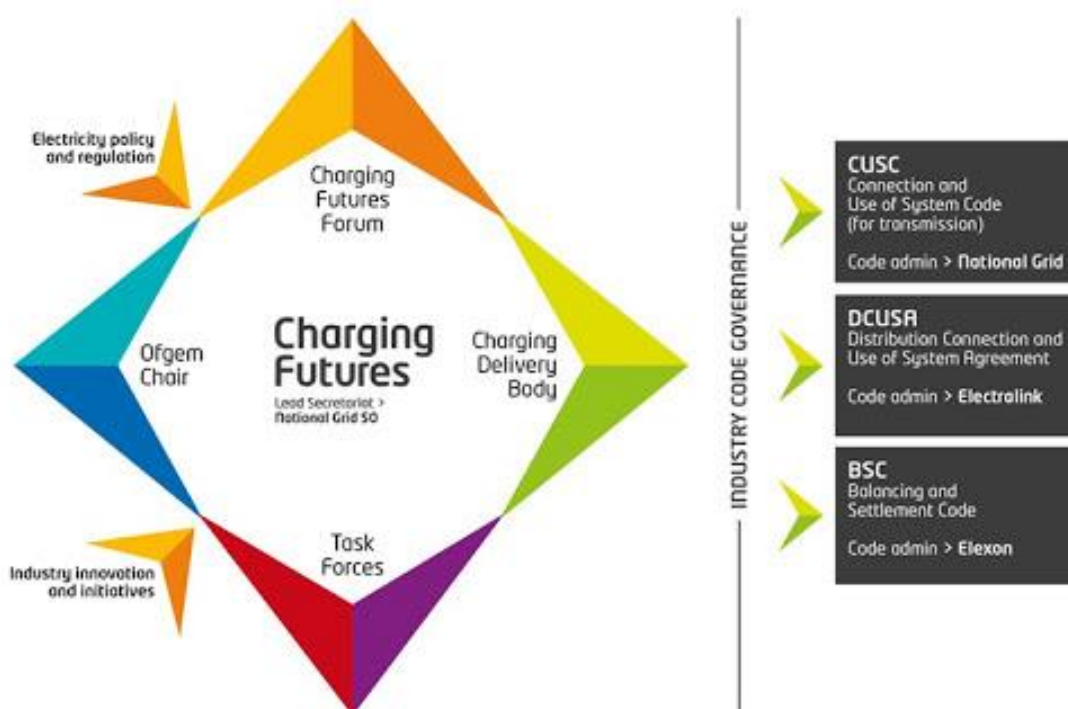
SQSS Panel

Name	Role
Christine Brown	SQSS Panel Chair
Gurpal Singh	Authority Representative
Alan Creighton	Panel Member
Tony Johnson	National Grid ESO Representative
Bieshoy Awad	National Grid ESO Alternate
Bless Kuri	Panel Representative
Cornel Brozio	Panel Member
David Lyon	Panel Member
Diyar Kadar	Panel Member
John Sinclair	Panel Alternate
Le Fu	NGET Panel Member
Mike Lee	Panel Member
Rob Wilson	National Grid ESO Representative
Roddy Wilson	Panel Member
Simon Lord	Panel Member Alternate
Xiaoyao Zhou	National Grid ESO Representative

Charging Futures

Charging Futures was set up for electricity network users to learn, contribute and shape the reform of GB's electricity network access and charging arrangements. It is a programme coordinating significant reform of electricity access and charging arrangements in close collaboration with users of GB's electricity network.

Acting as a bridge between policy, industry initiatives and the industry code governance process, Charging Futures has four key parts: a regular Forum, a Delivery Body, Task Forces and Ofgem as Chair.



The ESO Code Administrator, acts as the Lead Secretariat for the Charging Futures Forum. The role involves hosting large scale industry Forums with presenters from Ofgem, the ESO and network users. Prior to Covid-19, the ESO Code Administrator would organise around 4 of these forums per year. As noted below, there are always a significant amount of attendees and ensuring all parties are well prepared and accommodated for is a significant piece of work for us

For the period of 19/20 there were four Forums:

Forum Date	Attendees
4 July 2019	70
19 September 2019	64
18 December 2019	62
12 March 2020 (Webinar due to Covid-19)	127 (AM) & 106 (PM)

The ESO Code Administrator also lead on and hosted webinars for other parties, with an average attendance of 106 people listening to each.

We also provide additional materials to aide industry awareness around Charging Futures In the form of podcasts and newsletters. There were 35 newsletters for the period of 19/20 and the below table indicates the podcast Information and listener information:

Podcast	Date	Number of plays on Soundcloud
Balancing Services Charges Task Force – Podcast 3	24 April 2019	212
July Forum Podcast	4 July 2019	235
September Forum Podcast	17 September	227
December Forum Podcast	18 December	145
Second Balancing Services Charges Task Force – Podcast 1	30 January	201
Second Balancing Services Charges Task Force – Podcast 2	25 February 2020	171

Balancing Services Charges (BSUoS) Task force

Ofgem asked the Electricity System Operator (ESO) to launch a Balancing Services Charges Task Force under the Charging Futures arrangements, to provide analysis that would support decisions on the future direction of Balancing Services Use of System charges (BSUoS). It was the first of its kind.

The work carried out by this Task Force has now concluded. You can find its final report and conclusions [here](#) and you can find out more on Balancing Services Charges Task Force [here](#).

The first Task Force concluded in May 2019. There were 4 meetings held within 19-20, including an open consultation and a webinar that received a score of 8.1. Feedback overall was positive, and we have used this to look at lessons learned for future activities.

In their final Targeted Charging Review decision, Ofgem has asked the Electricity System Operator (ESO) to launch a Second Balancing Services Charges Task Force to build on work from the previous Task Force. More information on the Second Balancing Services Task Force can be found [here](#).

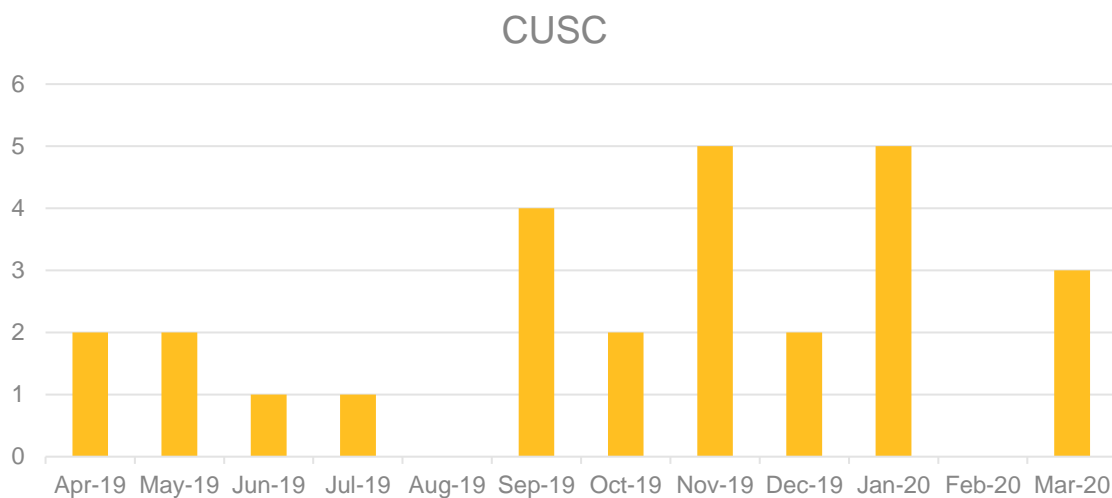
We hosted the first meeting of the second Task Force in January 2020 and subsequently another 5 meetings prior to work being paused due to Covid-19. We are looking forward to recommencing this work soon.

The Codes

The CUSC 19/20

The Connection and Use of System Code is the contractual framework for connecting to and using the National Electricity Transmission System (NETS).

For the period of 19/20, there were 27 new modifications raised. The graph below shows how the number raised has changed across the year with a notable spike across November to January 2020. This spike relates to modifications directed by the Authority following their Significant Code Review (SCR) of transmission charging (TCR).



The table below shows the CUSC activity in 19/20.

	April 19	May 19	June 19	July 19	Aug 19	Sept 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Total
New modifications	2	2	1	1	0	4	2	5	2	5	0	3	27
Workgroups	4	5	6	7	3	5	6	5	5	9	6	16	77
Workgroup consultations launched	2	0	0	0	0	1	1	0	0	0	4	1	9
Workgroup consultation responses	11	0	0	0	0	11	14	0	0	0	68	15	119
Code Admin Consultations Launched	1	0	0	4	0	2	2	0	1	0	0	1	11
Code Admin Consultation responses	6	0	0	12	0	9	15	0	4	0	0	3	49
Implementations	5	0	0	1	1	0	0	1	1	1	0	0	10

Team Operational Impacts

As noted above, there were 27 new CUSC modifications raised for the period of 19-20. There were 22 raised the previous year so an increase of 5. Although this report does not include 20-21 information, it is worth noting that for the period of March 2020 to June 2020, there have already been an unprecedented amount of modifications raised so we are predicting this trend will continue.

This year there were 77 CUSC workgroups in comparison to 58 from the previous year (an increase of 19). This is explained by the increase in new modifications as noted above.

When considering the number of consultation responses, it is worth noting that the Code Administration team review each of them and part of the process involves summarising each of them effectively, for the workgroup and later reporting. In 19-20, there were a total of 168 responses (workgroup consultations and Code Administration Consultations), in comparison to a total of 81 responses in 18-19. This is an Increase of 87 responses across the year.

Grid Code

The Grid Code details the technical requirements for connecting to and using the National Electricity Transmission System (NETS). Compliance with the Grid Code is one of the requirements of the Connection and Use of System Code (CUSC).

There were 15 new Grid Code modifications raised for the period of 19-20. This was in comparison to 17 new modifications raised the previous year.

Grid Code	April 19	May 19	June 19	July 19	Aug 19	Sept 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Total
New modifications	2	1	0	0	1	0	3	2	3	0	1	2	15
Workgroups	2	5	6	6	4	4	5	2	2	4	2	1	43
Workgroup consultations launched	1	0	0	1	0	0	2	0	1	0	0	0	5
Workgroup consultation responses	3	0	0	6	0	0	9	0	4	0	0	0	22
Code Admin Consultations Launched	2	1	1	0	0	2	1	1	1	0	2	1	12
Code Admin Consultation responses	5	4	1	0	0	3	8	4	1	0	7	3	36
Implementations	0	3	0	0	3	3	1	2	1	0	0	1	14

This year there were 43 workgroups held compared to 48 the previous year.

There were 58 responses (workgroup consultations and Code Admin Consultations) compared to 75 in 18-19.

STC & SQSS

This chapter discusses both STC and SQSS. This is due to the fact that they generally have less change in comparison to CUSC and Grid Code and have less to report. From the table below, there are only new modifications and Implementations to report. The other categories are at 0.

STC	April 19	May 19	June 19	July 19	Aug 19	Sept 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Total
New modifications	1	-	-	-	-	-	-	-	-	-	-	-	1
Implementations	6	-	-	-	2	-	-	-	-	-	-	-	8

SQSS	April 19	May 19	June 19	July 19	Aug 19	Sept 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Total
New modifications	-	-	-	-	-	-	-	-	-	-	-	-	0
Implementations	4	-	-	-	-	-	-	-	-	-	-	-	4

Final Reflections

Conclusion

Our first annual ESO Code Administration report provides further context and transparency on both our role and the level of activity across our codes. We have done this in response to industry feedback and hope this reinforces our ambition and dedication to always being as transparent as possible in the way in which we administer code change, as well as providing insights on the current scale of regulatory change.

We are seeing continued increased activity in both the number and complexity of the codes that we administer. Last financial year:

- We administered 6 special panels outside the normal monthly cadence
- Received 45 new modifications with the biggest focus on CUSC
- Held 121 workgroup meetings and launched 38 consultations

We are conscious that times are challenging across industry and there is not an infinite amount of industry knowledge and resource to support these processes. It is important that the ESO Code Administrator continues to be consultative and ensures that ongoing support, alongside our improvement activities, as set out in the ESO Forward Plan, align with consumer benefit.

Looking forward to the current financial year we, as the rest of the country, have been impacted by Covid-19. This will undoubtedly cause an even steeper strain on industry and the Code Administration team due to urgent modifications relating to the impacts of the virus. We have been working to ensure that our code processes continue to run efficiently and expediently during this time. We are also maintaining our focus on the improvement activities we have been asked by stakeholders to prioritise, such as:

- Customer focussed communications
- Onboarding process for new industry parties
- Improving industry confidence in ESO Code Governance
- Facilitate electricity network charging reform through Charging Futures

The work undertaken to make improvements in 20-21 will ensure that we safely and openly provide the level of service that our stakeholders expect from us. A full breakdown of our focus areas can be found in the [Forward Plan](#).

Looking further ahead, we have set out an ambitious business plan for the RIIO2 regulatory period commencing on the 1 April 2021. This includes our ambition that by 2025, our codes and code governance will be an enabler of change, not a barrier through implementing our Code Manager ambition. Further detail can be found in our RIIO2 business plan [here](#).