

Workgroup Consultation Response Proforma**GC0147: Last resort disconnection of Embedded Generation – enduring solution**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to grid.code@nationalgrideso.com by **5pm** on **27 November 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact **Nisar Ahmed**, Nisar.Ahmed@nationalgrideso.com or grid.code@nationalgrideso.com

| Respondent details | Please enter your details |
|-------------------------|----------------------------|
| Respondent name: | Jeremy Caplin |
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| Email address: | Jeremy.caplin@elexon.co.uk |
| Phone number: | 020 7380 4328 |

For reference the Applicable Grid Code Objectives are:

- 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*

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

| Standard Workgroup Consultation questions | | |
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| 1 | Do you believe that the GC0147 Original Proposal better facilitates the Applicable Grid Code Objectives? | <p>The proposal will enable more efficient operation of the Transmission System by offering a mechanism by which excess generation can be managed, and so better facilitates objective (a). As the proposal assumes the action will be a last resort it does not impact on the economical operation of the system, nor does it impact on development or maintenance of the system.</p> <p>As the order in which embedded generation will be disconnected will be based on operational and not economic considerations, the proposal has the potential to have a negative impact on competition, and so does not facilitate effective competition.</p> <p>The proposal will clearly improve security of supply in the event of a significant excess of generation.</p> <p>We note the discussions in the workgroup around the applicability or otherwise of EU law, and so cannot comment on this objective without the definitive legal position being established.</p> <p>The proposal will not improve efficiency in the implementation and administration of the Grid Code.</p> |
| 2 | Do you support the proposed implementation approach? | In terms of implementation of the code change, we would urge that sufficient time is allowed for consequential changes that may be required in other codes. |
| 3 | Do you have any other comments? | None |
| 4 | Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider? | No |
| Specific GC0147 Workgroup Consultation questions | | |
| 5 | How can it be ensured that all reasonable commercial alternatives have been pursued first before emergency instructions are used as a last resort? | <p>It is possible that these emergency instructions may need to be issued at relatively short notice, so it is likely that any assurance would need to be in the form of a post event analysis published by ESO.</p> <p>In terms of defining “reasonable” in this context, a price analogous to the Value of Lost Load could be defined that sets the threshold for reasonable actions. It is recognised that the existence of such a</p> |

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| | | price could influence the market in how it values potential contracts with the ESO, but it would provide protection for the ESO in clearly defining how far they are required to go. |
| 6 | Are there any further alternatives to emergency disconnection that have not been considered? | Wider change in the future could provide alternatives. For example, were the DSO role to be defined as including local balancing against an ESO defined profile then it is likely that more embedded generation would choose to participate in local balancing markets that would allow the DSOs to manage excess generation via commercial mechanisms. |
| 7 | In terms of possible safety implications of disconnection, are there any specific risks in relation to this solution? What is the additional risk? | It is likely that instantaneous disconnection could cause an increased risk of injury or damage to plant or the environment in some situations. Elexon does not operate in this area and so is not able to make any specific comments. |
| 8 | How should embedded generators that are not participants in the balancing mechanism be compensated for emergency control actions including disconnection? Is it your opinion that they should be compensated? | <p>We would strongly urge that where possible market mechanisms should be adjusted to ensure that embedded generators or other affected parties are not adversely impacted by emergency control actions.</p> <p>Specifically in relation to Imbalance charges, we would strongly recommend that ESO consults on modifications to the Applicable Balancing Services Volume Data Methodology Statement in order to ensure that embedded generators and Balancing Responsible Parties are not placed into Imbalance as a result of emergency instructions issued by the ESO as a result of this proposal.</p> |
| 9 | What mechanism could compensation be achieved by? | As discussed above, we would recommend that where possible market mechanisms be modified to minimise the need for compensation. |
| 10 | Would modifications to any other GB Codes be required? [for example, imbalance and cash-out arrangements in the BSC, arrangements with DNOs, suppliers or embedded generators in the CUSC and DCUSA) | <p>Provided that the Imbalance issue is resolved via ABSVD then it is not apparent that changes would be required to the BSC. There is already an obligation on ESO to publish system warnings on the BMRS - BSC Section Q 6.1.14 states that at the same as the issue to Users (as defined in the Grid Code) of a System Warning, the NETSO shall send to the BMRA the information contained in such System Warning.</p> <p>We would point out that a previous change to ABSVD required significant work by Elexon to register additional MSID pairs, and so we would</p> |

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| | | request that sufficient notification is given to us of the detail of any change. |
| 11 | Is compensation a requirement of the Clean Energy Package legislation? Please expand where possible on why or why not. | Ellexon are not able to offer advice on the interpretation of the CEP legislation. |
| Form/Implementation of instructions | | |
| 12 | What form should an instruction take? (eg % or MW; registered capacity or active power output) | <p>This is primarily a matter for negotiation between ESO and the DNOs. A % instruction applied equally across all DNO licence areas would place a much higher workload on those DNOs with large amounts of embedded generation, while a similar uniform MW instruction could result in generators further down the priority list being disconnected in areas with small amounts of embedded generation.</p> <p>Registered capacity would be easier to achieve where operational metering is limited, but active power output would be of more use in operational timescales.</p> |
| 13 | What priority order should generators reasonably be disconnected in? Have a link in the report to the guidance note on priority order. | We understand the reasoning behind the priority order proposed in the report. |
| 14 | What arrangements are necessary for restoration? | Ellexon do not operate in this area and so are not in a position to comment on this question. |
| 15 | How much of the detail of how an instruction should be implemented needs to be codified rather than in a guidance document? | Given the large number of parties that could be impacted by this proposal, it would seem appropriate that the detail of the implementation process should be subject to industry consultation and approval. Under Grid Code governance this can only be achieved by codification in the Grid Code itself. |
| Legal Text | | |
| 16 | Do you agree with the proposed Grid Code legal text? Please provide the rationale for your | The legal text appears to deliver the intent of the modification. |

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| | response and any specific comments. | |
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