

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
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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		
1	Do you believe that the GC0147 Original Proposal better facilitates the Applicable Grid Code Objectives?	Yes
2	Do you support the proposed implementation approach?	Yes
3	Do you have any other comments?	<p>Yes.</p> <p>The approach to compensation seems to be a misappropriation of the intent of the original CEP drafting. Article 13 is clearly written to address the normal operation of the market and parties who are normally involved in such market activities where despatch, or the results, at least, of self-despatch are compensated in accordance with those actions. This is not true for non-BM participants who are not remunerated for balancing actions. In accordance with Article 13 if a market participant was redespached outside of an emergency, then the compensation provisions of Article 13 should be implemented, to the extent that they apply.</p> <p>The issue here is emergency actions when all the market based activities have been exhausted or concluded. It is therefore far from clear that Article 13 should be applied in emergency conditions. The CEP regulation makes specific references elsewhere to what should happen in emergencies, but not in Article 13. An inference could therefore be that Article 13 is not intended to apply in emergency situations in the way that some members of the WG seem to be suggesting.</p> <p>It is also important to note that the legal background has changed during the development of this modification, but has not been recognized. The Government has modified the CEP, and in particular has changed the definition of redispach to remove distribution system operators from it. Please see Schedule 4 of SI 2020 NO 1006 “Exiting</p>

		<p>the European Union. Energy. The Electricity and Gas Regulations 2020”</p> <p>As such it is clear that from a policy point of view the Government does not expect embedded generators who are not part of the BM to be compensated for loss of output under any circumstances.</p> <p>It could be argued that the redespaching is still being initiated by the TSO so Article 13.7 should applies. However this ignores the very deliberate policy decision by the Government not to enshrine compensation rights for embedded generation. At the very least the WG would need to reconsider its thinking in the light of this policy change.</p> <p>Even if the final opinion is that Article 13.7 should still apply, the exception within is crucial. The majority of embedded generators have deliberately chosen non-firm connexions to the distribution system. Therefore such generation would not be eligible for compensation under 13.7 anyway (as made specific in the exception at the end of the first sentence in 13.7). This is also a long standing policy position in GB, ie that embedded generation without a firm physical connexion is not entitled to compensation for loss of output, apart from under the general Guaranteed Standard scheme for interruptions that applies to all customers (ie after 12 hours).</p> <p>In the price control DPCR5¹ Ofgem introduced a loss of output compensation of £2 per MWh of lost output for generators with a firm physical connexion. There are two key policy points here: firstly that compensation is only due to those customers who have protected their output by investing in a firm connexion. Secondly it is not aimed at recovering economic loss; it is an incentive on the DNO (note that the incentive was discontinued in the ED1 price control) – although arguably Art 13.7 in the Regulation overwrites this second point.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for	No

¹ Electricity Price Control Review Policy Document, Ofgem, March 2004.

	the Workgroup to consider?	
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?	<i>No comment</i>
6	Are there any further alternatives to emergency disconnection that have not been considered?	Not that I am aware of.
7	In terms of possible safety implications of disconnection, are there any specific risks in relation to this solution? What is the additional risk?	No comment
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?	No. See Question 3. Note that if this really is an emergency after all market options have been used, it should be occurring very infrequently, probably of the order of once a decade. It is disproportionate to design a perfect commercial solution that will cope with all the vagaries of system operation under these conditions that is likely to be used for a small number of hours so infrequently.
9	What mechanism could compensation be achieved by?	N/A
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	N/A

	embedded generators in the CUSC and DCUSA)	
11	Is compensation a requirement of the Clean Energy Package legislation? Please expand where possible on why or why not.	No – see Question 3.
Form/Implementation of instructions		
12	What form should an instruction take? (eg % or MW; registered capacity or active power output)	Registered Capacity does not seem relevant. It is the actual MW flowing that need to be controlled, not some nominal capacity that has little relationship to actual output on the day.
13	What priority order should generators reasonably be disconnected in? Have a link in the report to the guidance note on priority order.	As per the draft legal text. Not clear what the sentence means after question 13.
14	What arrangements are necessary for restoration?	No comment.
15	How much of the detail of how an instruction should be implemented needs to be codified rather than in a guidance document?	It needs to be as detailed as possible in the interests of transparency, yet be sufficient flexible to cope with contingencies that might arise. As an aide to transparency why not require routinely a report from each DNO where the emergency de-energization has occurred, either as required under the generality of OC7, or as a specific reporting requirement that could be written into OC6B?
Legal Text		
16	Do you agree with the proposed Grid Code legal text? Please provide the rationale for your response and any specific comments.	Comments below.

OC6B.1.1	...in the event of too much Active Power being	It is not the availability that is the problem, it is
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		available-produced to meet Demand...	the actual production via self-despatch.
	OC6B.1.2	Generators are persons – so better to replace with “Power Stations” at the start of the second sentence.	
	OC6B.1.4	Delete “measure in MW”. By definition Active Power is measured in MW so this is superfluous.	
	OC6B.1.5	The “can” in the final sentence should be changed to “has”. The scope of ESEC is in the Government’s gift and could be changed.	
	OC6B.2.1	First use of embedded should be in bold.	
	OC6B.3.2.2	“disconnect” cannot be used here. It is a defined Grid Code term and means the physical separation of users’ assets from the transmission system.	Although it is less euphonious the correct term for this activity is de-energization. It avoids the confusion of disconnect only applying to the transmission system too. Each usage of disconnect etc in the draft text ned to be reviewed and corrected. I note you have got this right on the consultation paper, but not in the legal drafting.
	OC6B.3.2.2(a)	Suggest replacing “supplied via” with “connected to”. What does supply mean in this context? Surely the connexion to specific GSPs is a more fundamental and clear concept?	
	OC6B.3.2.2(b)	Delete	This is just explanatory text of something that is obvious, It has no value being in the Grid Code.

	OC6B.3.2.3Embedded Generation Control instructions by Embedded Generation Disconnection based on their Power Station Registered Capacity so....	Not grammatically clear who/what “their” refers to. Note that Registered Capacity has a different definition in the D Code – so it is a dangerous term to use here. However if we refer to power station I think it is OK.
	OC6B.3.2.4	Delete	Again this is a statement of the obvious, and it is not clear that supply contracts need to specifically deal with this issue. There is no equivalent treatment of emergency demand disconnection.
	OC6B.6	“Priorities for maintaining connexion output of embedded generators generation ”	Nothing is being disconnected; generators are people.
	OC7 Appendix 1	Please redraft the table on a page that is set to landscape.	