

Code Administrator Consultation			
<h1>GC0149:</h1> <h2>Grid Code changes to reflect the terms of the UK's departure from the EU</h2> <p><b>Overview:</b> The proposal aims to ensure that retained EU law functions effectively in the context of the Grid Code following the UK-EU Trade and Cooperation Agreement and the end of the transition period. It will ensure that the Grid Code takes into account the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).</p>	<h3>Modification process &amp; timetable</h3> <ol style="list-style-type: none"> <li>1 <b>Proposal Form</b> 14 April 2021</li> <li>2 <b>Code Administrator Consultation</b> 14 May 2021 – 14 June 2021</li> <li>3 <b>Draft SG Modification Report</b> 16 June 2021</li> <li>4 <b>Final SG Modification Report</b> 28 June 2021</li> <li>5 <b>Appeals Window</b> 06 July 2021 – 27 July 2021</li> <li>6 <b>Implementation</b> 03 August 2021</li> </ol>		
<p><b>Have 5 minutes?</b> Read our <a href="#">Executive summary</a></p> <p><b>Have 20 minutes?</b> Read the full <a href="#">Code Administrator Consultation</a></p> <p><b>Have 30 minutes?</b> Read the full Code Administrator Consultation and Annexes.</p>			
<p><b>Status summary:</b> We are now consulting on this proposed change.</p>			
<p><b>This modification is expected to have a:</b> <b>Low impact</b> on all Grid Code parties</p>			
<p><b>Modification drivers:</b> GB Compliance and EU Compliance</p>			
<p><b>Governance route</b></p>	<p>Self-Governance modification to proceed to Code Administrator Consultation</p>		
<p><b>Who can I talk to about the change?</b></p>	<table border="0"> <tr> <td style="vertical-align: top;"> <p><b>Proposer:</b> Phil Smith <a href="mailto:Philip.Smith4@nationalgrideso.com">Philip.Smith4@nationalgrideso.com</a> 07779 560 468</p> </td> <td style="vertical-align: top;"> <p><b>Code Administrator Contact:</b> Nisar Ahmed <a href="mailto:Nisar.Ahmed@nationalgrideso.com">Nisar.Ahmed@nationalgrideso.com</a> 07773 043 068</p> </td> </tr> </table>	<p><b>Proposer:</b> Phil Smith <a href="mailto:Philip.Smith4@nationalgrideso.com">Philip.Smith4@nationalgrideso.com</a> 07779 560 468</p>	<p><b>Code Administrator Contact:</b> Nisar Ahmed <a href="mailto:Nisar.Ahmed@nationalgrideso.com">Nisar.Ahmed@nationalgrideso.com</a> 07773 043 068</p>
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<p><b>How do I respond?</b></p>	<p>Send your response proforma to <a href="mailto:grid.code@nationalgrideso.com">grid.code@nationalgrideso.com</a> by <b>5pm on 14 June 2021</b></p>		

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## Executive summary

This modification is seeking to ensure that retained EU law functions effectively in the context of the Grid Code following the UK-EU Trade and Cooperation Agreement and the end of the transition period. It will ensure that the Grid Code takes into account the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

### What is the issue?

On 24 December 2020 the UK reached an agreement with the EU on the terms of the UK's departure from the EU, the UK-EU Trade and Cooperation Agreement (TCA). This was ratified by the UK Parliament on 30 December 2020. At 11pm on 31 December 2020, the Brexit transition period ended. The UK left the EU single market and customs union and EU law ceased to apply to the UK.

### What is the solution and when will it come into effect?

**Proposer's solution:** In the Proposer's view the Grid Code will need to be amended to modify existing references to EU Regulations to ensure that the Grid Code considers the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

**Implementation date:** As soon as reasonably practicable, and in alignment with the equivalent CUSC and STC modifications.

### What is the impact if this change is made?

In the Proposer's view this proposal is expected to have a low impact on all Grid Code parties. The Grid Code needs to be amended and the change will ensure the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) will function effectively in the context of the Grid Code following the end of the transition period.

### Interactions

It is understood that other GB frameworks require revision as a result of the UK leaving the EU with an agreement. Modifications have been raised at the STC and CUSC panels at the same time as this modification. However, this modification is not interactive with any proposal for changes to other GB frameworks.

## What is the issue?

On 24 December 2020 the UK reached an agreement with the EU on the terms of the UK's departure from the EU, the UK-EU Trade and Cooperation Agreement (TCA). This was ratified by the UK Parliament on 30 December 2020. At 11pm on 31 December 2020, the Brexit transition period ended. The UK left the EU single market and customs union and EU law ceased to apply to the UK.

## Why change?

In the Proposer's view the Grid Code needs to be amended to ensure the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) will function effectively in the context of the Grid Code following the end of the transition period.

## Background

The Grid Code contains a small number of references to EU Regulations and EU entities. These were introduced as a consequence of the integration of the UK into the EU Internal Energy Market (IEM) and more specifically in order to comply with a number of EU Regulations which were directly applicable in UK Law.

Following the outcome of a referendum on UK membership of the EU on 23 June 2016, the UK government notified its intention to leave the EU in March 2017 (as permitted by Article 50 of the Treaty on European Union).

The UK's departure became effective on 31 January 2020, at which point the UK entered a transition period which was in effect until IP (Implementation Period) completion day, 31 December 2020. During the transition period the UK had to comply with all EU rules and laws.

Following the ratification of the TCA and the end of the transition period, EU law that has not been retained ceased to apply to the UK. The agreement does not outline in detail the relevant arrangements that will apply regarding the Grid Code. However, in the absence of further information the ESO propose updating the Grid Code to correct content that became out of date at 11pm on 31 December 2020. If further modifications are required in the future to outline additional post-Brexit arrangements, the ESO will raise them at the appropriate time.

The approach specified in the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) is to incorporate EU law into UK law (where possible). The UK Government has published Statutory Instruments with the aim of correcting, removing and/or amending provisions of EU Regulations as appropriate, relevant to the electricity industry, such that they reflect that the UK no longer being an EU Member State.

Additional background to this modification: In February 2019, the ESO raised GC0121 ('Grid Code changes in the event the UK leaves the EU without an agreement') in anticipation of the possibility of the UK leaving the EU without a deal. Following the

announcement of the TCA, this modification was withdrawn by the ESO in January 2021 as it dealt specifically with arrangements in a 'no deal' scenario. However, the legal text for this new modification is the same as that proposed in GC0121, as the contents of the TCA require no further changes to be made to the Grid Code arrangements from January 2021.

## What is the solution?

### **Proposer's solution**

In the Proposer's view it is proposed to amend existing references to EU Regulations to ensure that the Grid Code considers the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

The Proposer has provided the following points of guidance regarding the legal text changes. In the Proposer's view this is not an exhaustive list and the Proposer has recommended review of the legal text for full details. The objective of this modification is to implement minimum changes to ensure continued operability of the Grid Code arrangements.

- References to individual **Retained EU Laws** have been retained, rather than referring to the generic term '**Retained EU Law**', as keeping in the specific references is more useful for users of the Grid Code.
- All '**European Regulation**' defined terms referring to specific Commission Regulations have been removed from the **Glossary & Definitions**. Each specific **Retained EU Law** is now referenced in the relevant section of the Grid Code in the format: "**Retained EU Law** (Commission Regulation (EU) YYYY/####)." Note that **Retained EU Laws** became national law on IP completion day, but the names of the national laws often still include 'EU'.
- A sentence is added to GD.2.1 (xiv) to explain how references to Commission Regulations are to be used within Grid Code.
- The following is added as a defined term: "**Legally Binding Decisions of the European Commission and/or the Agency**", aligned with the modification of the licence conditions of the electricity transmission licence as outline in the [Authority decision letter](#) of 11 February 2021. While future decisions of the Commission and the Agency will no longer have any legal effect in the UK, decisions made prior to IP completion day are to continue to have effect. Definitions are also added for **Retained EU Law** and **IP Completion Day**
- A definition for **Electricity Balancing Regulation** is added, and the term replaces 'EBGL' in ANNEX GR.B Regulated Sections.
- A definition of "**Data Publisher**" is also added, in accordance with the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.
- The definition of **TERRE** has been amended to remove references to European Regulation (EU) 2017/2195 (EBGL) and European Regulation (EU) 2017/1485 as, although these regulations are Retained EU Law, the references to TERRE are no longer included within those regulations.

- In section Planning Code (PC), the reference to ENTSO-E Central Information Transparency Platform is removed, in accordance with the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.
- In section Operating Code (OC), it is proposed to update the data publication requirement according to the new requirement in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement) Act 2020.
- In SCHEDULE 6 Users Outage Information, references to Energy Identification Code will be removed as data will no longer be exchanged with the Central

## **Legal text**

The legal text for this change can be found in Annex 3.

## **What is the impact of this change?**

<b>Proposer's assessment against Grid Code Objectives</b>	
<b>Relevant Objective</b>	<b>Identified impact</b>
(a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity	<b>Neutral</b>
(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);	<b>Neutral</b>
(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;	<b>Neutral</b>
(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	<b>Positive</b> Ensures that the Grid Code is up-to-date regarding the arrangements for the UK's departure from the EU.
(e) To promote efficiency in the implementation and administration of the Grid Code arrangements	<b>Positive</b> Ensures that the Grid Code is up-to-date regarding the arrangements for the UK's departure from the EU.

### Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Neutral
Lower bills than would otherwise be the case	Neutral
Benefits for society as a whole	Neutral
Reduced environmental damage	Neutral
Improved quality of service	Neutral

### When will this change take place?

#### Implementation date

As soon as reasonably practicable, and in alignment with the equivalent CUSC and STC modifications.

#### Date decision required by

As soon as reasonably practicable, and in alignment with the equivalent CUSC and STC modifications.

#### Implementation approach

No systems or processes will be required to change as a result of this modification.

### Interactions

- |   |  |  |                                |
|---|--|--|--------------------------------|
| <input type="checkbox"/> CUSC                   | <input type="checkbox"/> BSC                               | <input type="checkbox"/> STC                 | <input type="checkbox"/> SQSS  |
| <input type="checkbox"/> European Network Codes | <input type="checkbox"/> EBGL Article 18 T&Cs <sup>1</sup> | <input type="checkbox"/> Other modifications | <input type="checkbox"/> Other |

Other GB frameworks require revision as a result of the UK leaving the EU with an agreement. Modifications have been raised at the STC and CUSC panels at the same time as this modification. However, this modification is not interactive with any proposal for changes to other GB frameworks.

### How to respond

#### Code Administrator consultation questions

- Do you believe that GC0149 better facilitates the Applicable Objectives?
- Do you support the proposed implementation approach?
- Do you have any other comments?

<sup>1</sup> If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

Views are invited on the proposals outlined in this consultation, which should be received by 5pm on **14 June 2021**. Please send your response to [grid.code@nationalgrideso.com](mailto:grid.code@nationalgrideso.com) using the response pro-forma which can be found on the [modification page](#).

*If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the [modification page](#) and may therefore not influence the debate to the same extent as a non-confidential response.*

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
EBGL	Electricity Balancing Guideline
GC	Grid Code
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions
IP completion day	Implementation Period completion day (31 December 2020).
TCA	UK-EU Trade and Cooperation Agreement

## Reference material

1. [European Union \(Withdrawal\) Act 2018](#)
2. [The Electricity and Gas etc. \(Amendment\) \(EU Exit\) Regulations 2020](#)
3. [The Electricity Network Codes and Guidelines \(Markets and Trading\) \(Amendment\) \(EU Exit\) Regulations 2019](#)
4. [The Electricity and Gas \(Internal Markets and Network Codes\) \(Amendment etc.\) \(EU Exit\) Regulations 2020](#)
5. [The Electricity Network Codes and Guidelines \(System Operation and Connection\) \(Amendment etc.\) \(EU Exit\) Regulations 2019](#)
6. [The Electricity and Gas \(Market Integrity and Transparency\) \(Amendment\) \(EU Exit\) Regulations 2019](#)
7. [UK-EU Trade and Cooperation Agreement](#)
8. [Decision on consequential licence modifications due to the end of the transition period](#)

## Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Self-Governance statement
Annex 3	Legal Text