Whole System Code

July 2021 (Updated)

nationalgridESO

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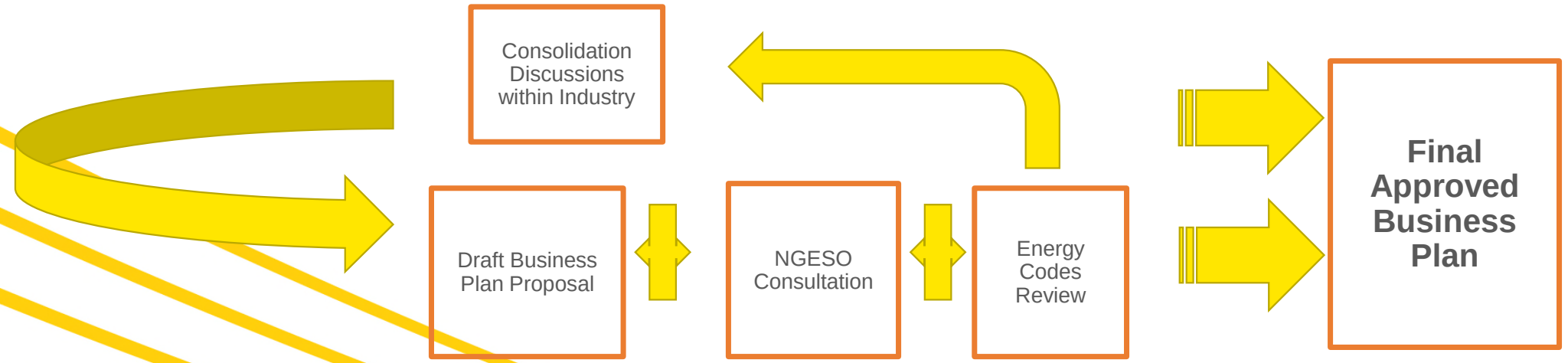
Purpose for this discussion

- To share feedback received to date
- To gather input for the planned consultation paper

Recap: Introducing the Whole System Code Concept

RIIO-2 **ambition** to work with all stakeholders to create a fully-digitalised, Whole System Grid Code by 2025

- Focus on providing minimum standards to allow safe and secure operation of the electricity systems.
- **Step 1:** To determine the scope, objectives and approach together with all stakeholders at the start of this activity in 2021/22. This will ensure that there is a consensus on the direction of this work from the beginning.



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Recap: Delivery

The concept can be progressed through two distinct – but closely interlinked – work streams.

Work Stream 1: Code Digitalisation

A digitalised code supported by artificial intelligence to signpost and improve the user experience (e.g. a 'smart search' that retrieves code information relevant to the use case of a specific market participant).

Work Stream 2: Whole System Code

Applying a whole system approach to the technical codes at Distribution and Transmission to improve customer experience, deliver consumer benefit, and ensure these codes are fit for the future.

This is focus of today's presentation.

Feedback Themes for Consultation

Stakeholder engagement to date has identified the following themes for consultation:

a) Key benefits of increased whole system alignment of the technical codes
b) How to most effectively realise the key benefits
c) Potential solutions to realise benefits.
d) Effective collaboration with industry during development
e) Enduring arrangements within industry
f) Digitalisation

Discussion:

1. Are these the right themes, and are there any missing?
2. What principles should be kept in mind when drafting the consultation?
3. How can we ensure that we attain high quality engagement and responses from the widest possible range of relevant stakeholders?

Feedback themes for consultation

a) What are the key benefits of increased whole system alignment of the technical codes?

1. **Clear, transparent & accessible technical codes for a wider group of stakeholders**
2. **Increased pace of decision making throughout the connection journey**
3. **Streamlined implementation of code changes & housekeeping existing content**
4. **Increased market participation, a level playing field, and more efficient outcomes for consumers**

Understanding the challenges of using the technical codes & further potential benefits suggested by stakeholders	
1	Less material to be read during the connection journey
2	Alignment of requirements across the whole system e.g. 1 set of electrical standards to be considered
3	The Grid Code covers different types of generators and it is difficult to identify the requirements that apply to a particular category. This is an opportunity to write the WSGC in such a way that the Users can easily identify what applies to their connection. To this end, having an index at the front of the WSGC that lists the sections that apply to the different categories could be one potential approach.
4	The digitalisation should split the information by category (wind onshore, wind offshore, interconnectors, etc.) and type of generator (Types A, B, C & D).
5	There should be an easy way to identify requirements for hybrid connections
6	A Whole System Technical Code could provide better alignment of the decision making and understanding of the impacts across the Technical Codes, a better understanding of the key stakeholders and the emphasis that in the current economic / political environment that will facilitate fast acting in our decision making and management of the Codes.

Question: What is the best way to ask industry about the benefits of whole system technical codes alignment?

Feedback Themes for Consultation

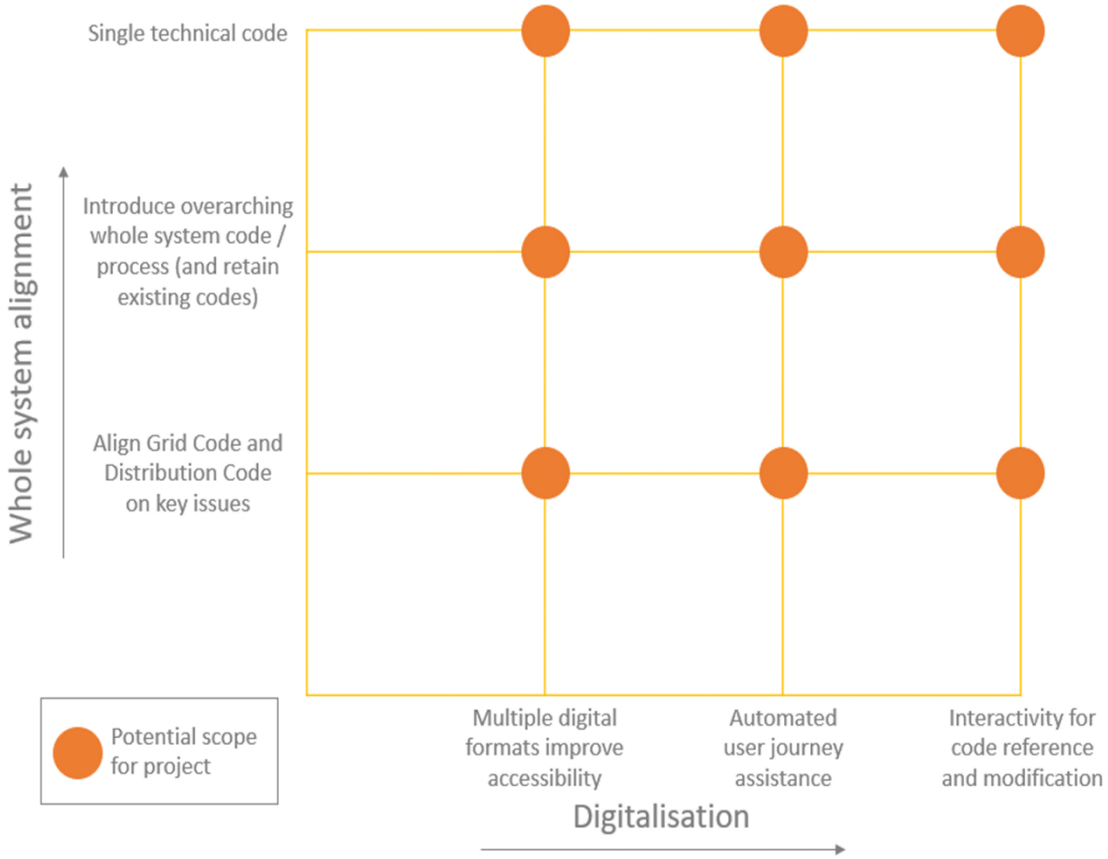
b) To what extent should we go to realise the aforementioned benefits of increased whole system alignment of the codes?

No.	Feedback received to date
1	The WSGC should not: 1) Result in any additional technical requirements being applied retrospectively to existing customers 2) Introduce additional technical requirements for customers in a given category
2	Noting that it is just the Distribution Code (& associated Engineering Recommendations), Grid Code and SQSS in scope, some stakeholders suggested that the STC to also be included.
3	Grid Code Guidance Notes are very useful and should be included within the scope of the digitalisation
4	Once the defects have been identified and the scope clearly understood, it is essential a range of options for addressing them should be developed along with associated risk and impact assessments and how each option or combination of options addresses the defects and scope, aligns with the thinking driving the Energy Industry Codes review and the strategic direction of DNO's and ENA Open Networks workstreams.
5	Some stakeholders asked why the technical codes had been identified for whole system alignment, and suggested that there would also be value in considering consolidation across other codes (e.g. CUSC and DCUSA, or CUSC and BSC).

Question: What are the options/solutions industry can utilise to realise the aforementioned benefits?

Example Content for Consultation

c) Stakeholders have so far suggested 9 potential solutions to realise benefits; illustrated in the diagram below.



Discussion: Is a graphic like this example a useful way to provide context for the consultation?

Feedback Themes for Consultation

d) Effective collaboration with industry stakeholders during development

No.	Feedback received to date
1	Open Networks is not a good model to use, as industry stakeholders are not really involved in decision making.
2	Given that the work affects changes to the codes, Ofgem need to be closely involved throughout the process to ensure they provide input upfront
3	Decisions made as part of the project should be clear not to pre-empt the outcome of the Energy Codes Review, and that relevant recommendations be made to the review.
4	A formalized “Whole System Technical Code Group” should be set up, and function in accordance with Distribution Code Review Panel agreements.
5	For governance, in order to accelerate the decision-making process, the proposal is to have a steering group that provides recommendations to SQSS Panel, DCRP and GCRP. This is because under current legislation, the steering group would not have any powers to amend the codes. The Steering Group could also formalise a way of notifying Ofgem of the recommendations on institutional changes from the project; via a letter from the 3 panels’ chairpersons. The formal notification will likely be towards the end of Q4 when the scope will be finalised
6	The ESO should write an open letter to Ofgem following the consultation, outlining the proposed scope and approach to the project based on consultation feedback.
7	It is essential the options are considered collaboratively and the process is supported by a clearly defined Terms of Reference, an appointed impartial Chair and appropriate Secretarial support.
8	Given that electricity licences define the content of the codes, the project might get delayed whilst required licence changes are progressed
9	Primary legislation may be required which would put the timeline for the project at risk

Question: How do we best engage industry stakeholders to progress actions and to make decisions?

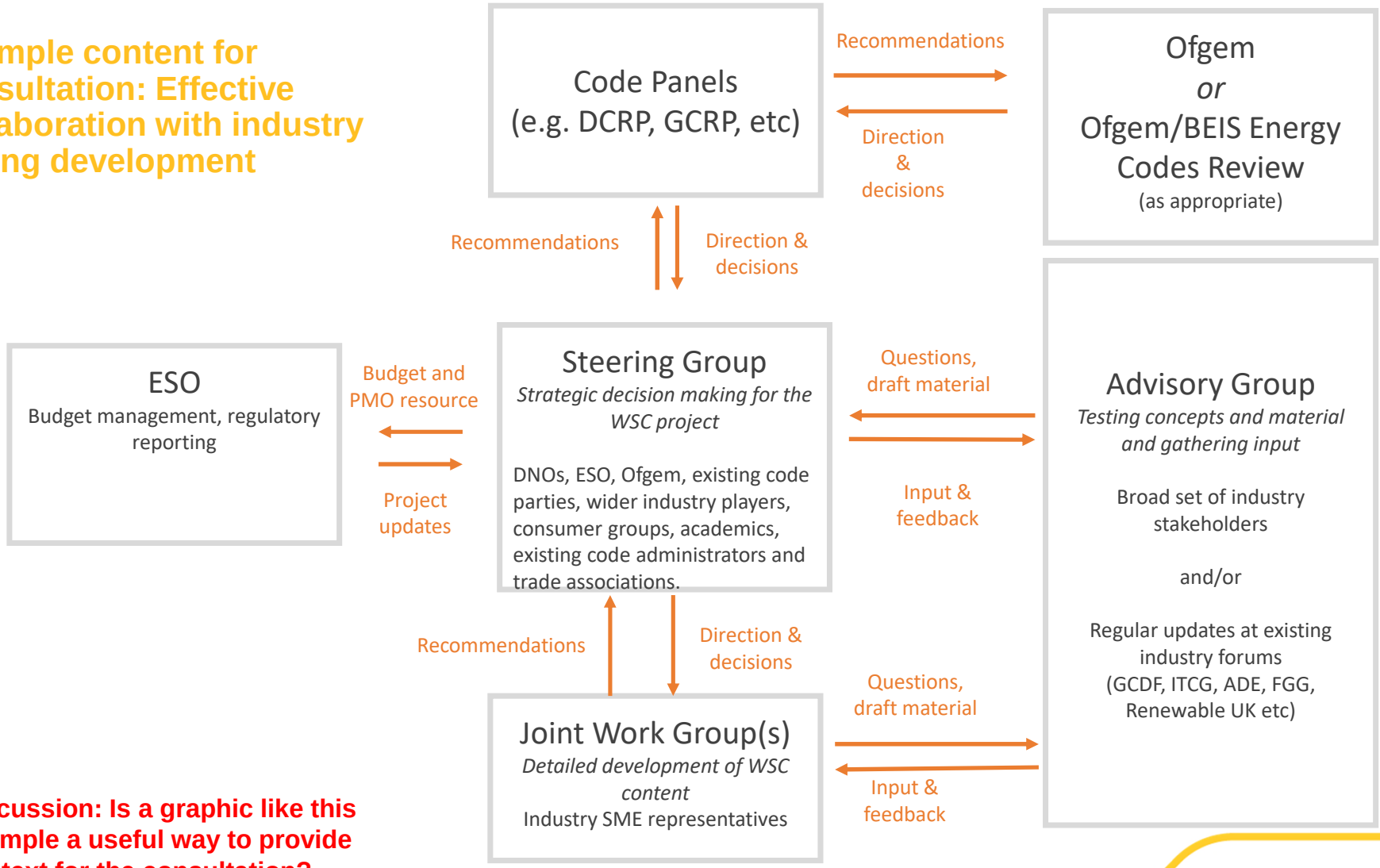
Feedback Themes for Consultation

d) Effective collaboration with industry stakeholders during development

No.	Feedback received to date
1	It is important to establish how distribution connected users would feel about digitalization of all the technical codes at the same time as the codes being consolidated.
2	NGESO should include DCRP as an engagement forum for the project as it has a wide spectrum of Distribution Code stakeholders.
3	Ofgem would need to get interim guidance from the Energy Codes Review steering group in order to progress elements of this idea with some form of mandate.
4	This is a resource intensive activity and will require time commitment from participants across industry. There will be phases which will not be able to be progressed through a normal workgroup process – a reference was made to the week-long “bunker session” approach used when first writing the Grid Code.

Question: How do we best shape a consultation question to ensure high quality engagement and responses from the widest possible range of relevant stakeholders?

Example content for consultation: Effective collaboration with industry during development



Discussion: Is a graphic like this example a useful way to provide context for the consultation?

Feedback Themes for Consultation

e) Enduring arrangements within industry

No.	Feedback received to date
1	Consideration must be given to the management of a Whole System Technical Code, including responsibilities for raising and managing modifications, responding to queries and the resource requirements needed for ensuring efficient administration and governance of the Code.
2	Previous proposals of Code Management change were made in 2019 BEIS/Ofgem consultation and it should be clear whether or not this Whole System Technical Code proposal meets the recommendations made at the time. Unless there is a clear understanding of these, there is a risk that significant time and effort will be spent without delivering something that stakeholders would value.
3	If one of the opportunities is to make Codes more accessible there is a risk that by encouraging involvement to a wider group of stakeholders that participants could be at a meeting and for a majority not being actively engaged. This could make decision making could be protracted as a result of some members not being fully conversant with the topic being discussed. It is important that agendas are clear and precisely Chaired to ensure key matters of debate and modifications are discussed and agreed on in a timely manner.

Question: How do we best shape a consultation question to ensure high quality engagement and responses from the widest possible range of relevant stakeholders?

Feedback themes for consultation

f) Digitalisation

No.	Feedback received to date
1	The digital version of the code must be legally binding (rather than a “guide”).
2	There is a risk that legal liability is unknown in the scenario that the digital version of the code does not accurately reflect the legal text, and Users who act on the digital version then breach the requirements of the legal text.
3	By digitalising the codes, we need to consider the legal liabilities that may arise from the information

Question: How do we best shape a consultation question to ensure high quality engagement and responses from the widest possible range of relevant stakeholders?

Next Steps - Proposed Stakeholder Engagement Plan

Phase I: Introduction of concept and initial feedback (June). Complete.

Phase II: Gather input to shape industry consultation (July/August). Today's discussion.

Phase III: Industry consultation (September)

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Thank you

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