Digitalised Whole System Technical Code (WSTC) Meeting Minutes

Consultation 1 Stakeholder Engagement Session 5

Date:	05/11/2021	Location:	MS Teams
Start:	10:00	End:	11:15

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Helen Stack (HS) - Centrica	Attend	Steve Cox (SC) - ENWL	Attend
Stephen Browning (SB) - Electricity Efficiency	Attend	Laetitia Wamala (LW) - NGESO	Attend
Vicky Allen (VA) - NGESO	Attend	Frank Kasibante (FK) - NGESO	Attend
Kirsten Shilling (KS) - NGESO	Attend		

Minutes Recipients

Industry - Published on the WSTC website

Agenda

1. Introductions
2. Presentation of Slides & Discussion
3. Closing Remarks

Discussion

The discussions held during the meeting are summarised below:

1. Introductions

Introductions were done as recorded above.

2. Presentation of Slides & Discussion

During the presentation of the WSTC slides (Oct/Nov), the discussions summarised below were held. The full slide pack can be viewed here.

2.1. Introduction (Section 2)

HS: I don't think we particularly are calling for any changes, but I can understand what NGESO is doing and the argument for that. Whenever we've discussed it in the past in terms of merging the codes, but we weren't sure of

exactly what value it would add. I have heard discussions about getting more consistency between the Grid Code (GC) and the Distribution Code (DC) which would probably be a good thing.

LW: Am I right in interpreting that you don't have any issues with using the technical codes within the work where you are and within your business?

HS: I'd say, generally not. I don't think there are any issues that would be solved by merging the two codes.

LW: OK, thank you for that, because at least you're agreeing with the complexity and we hope to simplify them as part of this project.

HS: Yes

SC: In terms of reading and digesting the technical codes, I agree with HS as I don't pick up lots of user problems with accessing the codes and understanding them. I think the primary challenge is the cumbersome governance arrangements around the GC modifications. One of my concerns is that it's a very cumbersome project.

Whilst the GC touches relatively large number of users to the system, the distribution code touches millions of users.

I think the challenge to setting a single technical code, is the ability for that code to be sufficiently agile for what is a rapidly changing technology landscape especially in the distribution networks. The agility of modifications on a single code would need to be agile at the DC level, not at the current GC level, which just wouldn't be fit for purpose.

HS: Our biggest problem with GC and DC is following the change and having the resource to do that ourselves. Where we have had an interest in particular modifications, they often seem to progress really slowly. In addition, the process is neither transparent nor effective.

LW: We've picked up your concern around agility and the pace of change. Some stakeholders feel that their business is very agile (e.g., with Electric Vehicles coming) which requires them to be quick with code changes. They feel that the DC changes are slow, and they know that the GC changes are much slower. Therefore, pace of change is something that needs to be well thought through to make sure that whatever we do, we're not making it worse.

KS: In terms of the process, if you look at the trajectory that GC administrator is moving at, you'll see that process is moving much quicker than it had been previously. We are really constrained by the convoluted and complex governance process that is just out of our control. There is the Energy Code Reform (ECR) consultation that has closed recently, that will form part of moving towards a faster and better way of dealing with code change that is more inclusive.

SC: I'm very conscious of the constraints that the GC administrator is under and you are, to some extent, shackled to the arrangements. I think it's a general comment though that needs to be incorporated in this work. Unless we have more fit for purpose governance arrangements the agility that is required down at distribution level would be heavily affected.

If you consolidate the two codes, it's likely that the governance arrangements will have to level up too because it's just not an agile governance arrangement. That risks significant damage and loss of opportunity to users with new technologies and new products that they wish to connect.

It is very important that the relatively small benefit that can come through code harmonization needs to be balanced against the risk of the loss of agility for tens of thousands of users.

LW: I think for this project to be a success the GC modification process should become more agile. Hence this consultation. We will take that feedback away, and we'll make sure it's fed into the scope so that agility is attained across the whole system.

SC: Please don't take it as a criticism of the team. I know the team is working extremely hard within the policies at time of a very demoralizing governance regime.

2.2. Potential Solutions (Section 3.1 Whole System Consolidation or Alignment)

HS: I'd just like to underline my support for the previous point that Steve made about needing to be able to be nimble when you needed to make quick changes. You can consider that feedback coming within this slide.

SC: The bit I struggle with in this question is identification of what the key issues are, and what the lack of alignment is. I made this point a number of times. I haven't seen what the misalignment, or the alleged misalignment, is. It's very difficult to answer. How do you solve a problem that you haven't actually seen?

LW: In the consultation we've put 2 examples which were fed back by stakeholders, system security and enforcing of compliance. Under system security, it acknowledges the fact that we started off with two documents that address system security P2/7 and SQSS. They shared a common basis, but after they were separated, the documents drifted apart. It's important because now we have more generation coming from distribution than we did in the past, so things like system security should be given equal robustness and attention on both transmission and distribution.

SC: So P2/7 is not a system security standard. I mean that point illustrates a misunderstanding of what P2/7 is. P2/7 is a planning standard not a system security standard.

SQSS is a security standard and is not part of the GC. One's an operational standard and the other is a design standard.

Whilst one may wish to have a new overarching system security standard to allow control of resources for system frequency issues and energy balancing, that's a different thing to a planning standard. I don't accept that that is a code alignment issue. I was concerned that that shows a misunderstanding of what those two documents are.

I do support the third option of an overarching document. I think it's a worthwhile objective.

LW: OK, so that's interesting because this is something that has been fed back by industry and developed through bilateral meetings within industry.

SC: It'll be interesting to know who's fed back on P2/7 because I chaired the panel that developed P2/7. On that working group is Alan, who sits on the SQSS panel. Between us we probably have one of the closest views of what those two documents are trying to achieve. I don't think those documents can ever be aligned because they're completely different standards.

LW: Thank you for that. The other one we had was compliance. What we've had from industry is the fact that if you have two units connecting, one in distribution and the other in transmission, compliance is enforced in transmission and not in distribution, and that makes it an uneven playing field.

SC: In terms of enforcement, there is a modification going through the DC which has been out to consultation a couple times. Pending that modification, the codes will be aligned. I would agree that there was an enforcement requirement. However, it is important to notice that, at distribution levels, the enforcing agency is not the DNO, it is the authority who carries out the enforcement action. There's this specific legal difference between the distribution license requirements on network operators and the license requirements on the TO, and the ESO.

The lack of alignment is a legal issue in the licence conditions, not one in the codes. The codes reflect the legal obligations on the parties. To align those two things would require primary legislation change in the form of the licence condition on either the TOs or DNOs.

HS: I think it's important that this doesn't result in creating unfair barriers to distributed resources participating in markets. There mustn't be a backdoor route to addressing system security questions. I think there are differences that exist in a range of areas. Distributed assets may feel that they're at a disadvantage. I don't want to create a barrier to the uptake of low carbon generation or flexibility resources.

LW: Thank you very much for that. I think this is where we acknowledge that we will need industry subject matter experts to help us push these things through once we have our scope. Because I don't think that the issues can be easily fixed. They need to be well thought through. I think the key question here was where is alignment missing? What are your views on a single technical code?

SC: We have experience with users wishing to connect to our systems requesting a much simpler user journey. I think the challenge, which is more around digitalisation of the code, is for a given scenario to easily identify all the relevant parts of the code sets that they need to comply with and what they need to do to move from that initial connection concept through to final design and compliance.

There's less benefit from our point of view in bolting together two 1000-page documents to make a single 2000-page document. It's more about those user journey guides. I think the underlying drive for a single code is it is a common user journey as far as possible. I think we would abso lutely support that. I think that can be achieved under any of the four options, because it isn't a code element itself. It's a user support game.

2.3. Potential Solutions (3.2 Digitalisation)

SC: Compliance with the codes, is a licence condition and therefore a legal obligation of the utilities act. It's difficult to have digitalised codes that are not legally binding. In other words, they cannot be guidance because compliance with their requirements is a legal obligation on the parties.

VA: I think that there's a number of options which we could pursue as part of digitalisation, so there's an option where we would have the PDF of the version on the website as well as having the ability to do the self-service. So that people could choose to use the self-service as a guidance but having the full unabridged version of the document available to them as well.

We've had quite long discussions about whether or not the digitalised codes could be legally binding. In the event that the AI omitted a code clause, and a user used that information to build some equipment resulting in a non-compliance, the legally liable party needs to be clarified. There's been a lot of discussion about what would happen in those cases.

SC: I think it depends what you mean by digitalised code.

I think what we mean by describing here as digitalised is what I referred to as the user guide before which is a scenario-based summary of the things that you need to do.

The code to me is the code. You can only have one code, and it is the legally binding text because it's linked to primary legislation. It's very difficult for it not to be legally binding.

VA: It's a good feedback that, thank you very much, Steve. Did you have and anything else on any of the other points?

SC: I think the digitalisation of this scenario-based user guide is an opportunity that the industry must seize and deliver on for users. I think it's a very, very laudable objective. I think it might just be some of the language that we just need to get right as to what we mean. I'd support all of them.

Additional potential solutions for digitalisation: The technical code is also linked to the commercial codes. If we want to connect a battery, I want to know about both the technical and commercial requirements.

Probably not enough information on the AI driven platform to work out what that actually is. I know there are some examples of it but it's a bit difficult to answer that one.

I think this self-service with cross code sign posting sounds immensely useful. Is it self-service, or is it AI driven? They are a means to the end.

HS: I support the comments that Steve's made and the ones that you yourself have mentioned from previous discussions. My gut feeling is that you need to have the full PDF document as the one that was legally binding. If users had been using the digital codes and unwittingly failed to comply with the full code, I think that they shouldn't necessarily be penalized for that.

VA: In that case, Helen, who would be responsible?

HS: I think that if it's a minor contravention of the code then there shouldn't be action taken just because there's been some kind of error in how the digital code has being put together.

2.4. Potential Solutions (3.4 Work that can progress independently of the ECR outcome)

SC: I think my understanding of P2/7 is that it is already part of the DC as an annex document.

LW: Thank you. It will be taken out. One of the proposals has been that maybe the SQSS should follow the same governance that P2/7 has with the DC. What are your thoughts on that one?

SC: The substance of your question is, do you think that you should progress them independently? I think one *(simplification and rationalisation)* and two *(identifying areas for alignment)* are easy because I think they are already aligned, but if we're not, we can identify some minor errors and fix them.

Simplification and rationalization and digitalization: I think this comes back to the previous discussion. Are you clear on what you mean by digitalisation? Is that a user guide? Or is it the primary code? I think you will find it very difficult to simplify the legal language inside the GC and DC because of the linkage to the primary legislation.

Digitisation is a very laudable and commendable objective of a simplified guide and compendium that leads you through these complex documents in an easy to access way. I think that can be independently progressed.

SQSS can be progressed independently, and P2/7 has already happened.

LW: Thank you.

2.5. Potential Solutions (3.5 Delivery of Solutions)

HS: I think the overly simplistic approach I've been talking about when explaining this consultation was any least regrets changes that allowed for the outcome of the ECR would be acceptable. If there was a clear reason for those changes.

VA: Is there anything specific there that you would consider least regrets?

HS: I think no, because I do have concerns about the benefits of doing this, but I don't want that to stop it. There definitely needs to be a balance and there needs to be a recognition of the outcome of the ECR.

SC: The digitalisation and the production of the user journey guides can proceed and should proceed at pace between the two code administrators. It doesn't really matter whether you do A, B or C. My preference would be D *(Digitalisation of Grid Code and Distribution Code together)* for digitalisation. I think that would go a long way to solve many of your user problems. I don't think that's dependent on the ECR because we have many users who need to connect now and operate now. Simplification and clarity are a priority item for both codes. The ECR may change it a bit. I certainly don't think we should wait until the ECR is out.

VA: OK, thank you for that Steve. Did you have any preferences in either of the first two boxes?

SC: A in the first box is pretty much impossible. I think to do an alignment exercise it need to be done under both codes. The authority has powers of direction where it can direct parties to resolve any alignment issues, if we find any. I think that would be a more assured way of making progress within a reasonable timeframe to resolve those.

The creation of new codes I would leave until after the ECR outcome. I think that will give clarity on what would codes scope is. So, if I was voting for these, I would do:

Whole System Alignment: Detailed recommendations for alignment delivered later, as part of ECR implementation

Code consolidation: Postpone until ECR outcome

Digitalisation: GC and DC (& ERECs) together.

2.6. Key Benefits (Section 4)

HS: I definitely agree with the benefits if they can be realized. If there are benefits that can be implemented, then these would be welcome.

SC: I'd echo that. I think the benefits are readily attainable. I think the first one is very material given the volume of connections that need to happen between now and 2028. So that is an absolute key one for me. I do think you will see increased market participation across the whole system with clarity and simplification. I think user friendly technical codes is a key benefit in itself. I think they're all attainable and commendable.

2.7. Project Governance (Section 5.1 Decision Making)

SC: I think it's a sensible and workable structure. There's a slight difference between how the codes is governed and how the project is governed because the project is producing the changes required to make the benefits happen, which is a transiting arrangement. I would support the structure. I think it's pragmatic.

I think the challenge with this Steering Group is to make it sufficiently project management like. To give decisions in a timely manner to the project and the various workgroups. I think if that's too expansive, that's going to be quite difficult.

The terms of reference need to be very tightly controlled so as not to revisit every decision that's ever been made on any code.

The problem we have with the GC is its rather cumbersome governance arrangements. They need to be resolved as part of the process. It's very difficult for the GC itself to change those because they're passed to it through the CMA decision. The actual Steering Group is project related, so it has a short life whilst it completes its work, but it changes the codes themselves, so it is interactive.

2.8. Project Governance (Section 5.2 Proposed Terms of Reference – Steering Group)

SC: I was slightly unclear as to what the intent was. One way of doing this is what happens with the current code structures sub working groups. However, you could do that in quite an agile manner because you're not under full governance requirements within the project.

The other way of doing it is to include all relevant stakeholders or potentially interested parties in the Steering Group. This could get bogged down in discussion and decision making because effectively you have so many stakeholders involved. I'm just interested in how you saw it working.

FK: When all the consultation responses are in. We shall have responses on who is willing to participate in the steering group. I think that will define how we develop it further. The terms of reference will be created in consultation with those are willing to participate.

SC: I'm certainly happy to participate on it. I think it's a really important question because it will avoid the project team tying itself in knots. I do think it's a very important question.

2.9. Project Governance (Section 5.3 Stakeholder Engagement)

SC: I think you've done a good job on engagement; giving credit where it's due. You've engaged industry positively. I think you got everybody's attention. You've put some meat behind the questions to get people to think about it. The consultation itself is good.

Would you like to attend the webinars? Yes, if diary permits, certainly and join the steering group when that forms.

I think it would be useful if the project team could keep the DC Review Panel (DCRP) updated on your progress at each of their meetings. It does create a lot of interest in the IDNO businesses and the DNOs. I think the 6 DSOs will be interested as well.

LW: Are you to give us an opportunity to present to the DCRP? We've been seeking access for a while still haven't managed to get their audience.

SC: Certainly, I can arrange with Mark that this becomes a standing DCRP agenda item.

FK: Is there a different arrangement or forum where we could reach the DSOs?

SC: At the moment, each of the DNOs is setting up its DSO which come into existence sometime this year or next year prior to the commencement of RIIO-ED2. They're all undergoing various degrees of either internal or legal separation.

They will be a new range of stakeholders who are not the DNO; they are DSOs who have interests in areas such as whole system. The DCRP is the way to get to them for the time being.

2.10. Project Governance (Section 5.4 Schedule)

SC: I think it's realistic.

However, you need to arrange the inaugural Steering Group meeting immediately. The proposed date is ambitious; 15th, 16th, and 17th are probably viable dates.

3. Closing Remarks

	LW: Thank you for attending the webinars and for the valuable feedback.