

**The National Grid Company plc**

**Minutes of the  
Grid Code Review Panel  
National Grid House, Coventry  
17<sup>TH</sup> May 2001**

**Members/Alternates**

Mike Metcalfe	NGC (Chair)
David Payne	NGC (Secretary)
Geoff Charter	NGC
Nick Fee	NGC
Ian Gray )	
Mike Kay )	PES
John Palmer )	
Bridget Morgan	OFGEM
John Norbury )	
Graham Trott )	Generators with Large Power Stations with total Reg. Cap. > 5GW
John France )	
Alan Robinson	Generators with Large Power Stations with total Reg. Cap.< 5GW
Malcolm Taylor	Generators without Large Power Stations
(No Rep present)	EISO
Chris Rowell	BSC Panel

**Advisors**

Robert Lane, CMS Cameron McKenna
Nick George, TXU

**1 APOLOGIES FOR ABSENCE AND INTRODUCTION**

- 888 Apologies for absence were received from David Gray (NGC) and Peter Clubb (EISO).
- 889 The chairman welcomed John Palmer to the Panel. John will attend the GCRP meetings as a member representing PESs.

**2 APPROVAL OF MINUTES OF PREVIOUS MEETING**

- 890 There was one comment on the revised draft minutes of the last meeting. John France pointed out that minute 873 should state that 'John Norbury *and John France* stated that *they* would not wish to support any move to reduce generator representation to less than 5 members, as suggested in the paper appendix.'
- 891 With this amendment the minutes of the last meeting were agreed as a true record.

**3 MATTERS ARISING FROM PREVIOUS MEETING (not covered below)****3.1 Summary of actions (GCRP 01/07)**

- 892 David Payne provided an update:
- Action 472 – Frequency Response – This action is ongoing and a further update will be provided at the February 2002 Panel meeting.
  - Action 754 – ROCOF Reporting - This action is ongoing and a further report will be provided at the September 2001 Panel meeting.
  - All other actions had been completed or covered by later agenda items.

#### **4. REPORT ON PROGRESS OF CONSULTATION PAPERS (GCRP 01/08)**

##### **A/00 – Safety Co-ordination.**

- 893 David Payne stated that an internal meeting had been held to attempt to resolve the proximity issue. As a result, procedures were being drafted which will lead to further changes to OC8 being proposed.

##### **C/00 - Harmonics**

- 894 Geoff Charter reported that as requested a copy of ER G5/4 had been forwarded to Ofgem. Ofgem had raised some further queries and as a result the Report to the Authority was being revised to expand the explanation regarding ER G5/4.

##### **D/00 - Housekeeping Changes**

- 895 David Payne reported that the Report to the Authority had been sent and approval was awaited.

##### **E/00 - Changes due to CUSC Implementation.**

- 896 David Payne reported that approval had been received from the Authority and the update to the Grid Code had been distributed ready for implementation on CUSC Implementation Date, which is now expected to be early in June 2001. This Consultation is now complete.

#### **5 PROGRESS ON CURRENT GRID CODE MODIFICATION PROPOSALS (GCRP 01/09)**

- 897 David Payne stated that a presentation on the results of the Reactive Review had been made to TUG on 23<sup>rd</sup> March and that further progress was dependent on TUG recommendations. However as TUG had now ceased to exist this will now be followed up by whichever forum succeeds TUG.

##### **5.1 OC5 Review (GCRP 01/010)**

- 898 Geoff Charter provided a report from the working group detailing progress and recommendations to the GCRP.

- 899 The paper explained that the initial aim of the working group was to consider the content and form of the existing OC5 text with a view to simplifying the existing text and structure. As a result a revised layout for OC5 was proposed which rationalises the procedures for monitoring, testing and disputes resolution into common text. It is also proposed to introduce a table which sets out the applicable assessment criteria.

- 900 It is also proposed that Black Start Testing is retained as a separate section and that OC5.4.2.5 is deleted as the level of detail of this clause is considered inappropriate.

- 901 A minor typographical error in the proposed new table was pointed out. There are several instances where it is stated that the pass criteria should be within (for

example) +5% of registered capability. It should be made clear that the symbol should be  $\pm$ .

902 The Panel agreed that the proposed changes should now go out to wider consultation. NGC agreed to prepare a Consultation paper and commence the consultation process.

903 **Action:** *NGC to prepare a Consultation Paper on the proposed OC5 text changes.*

904 Geoff went on to explain that the proposed next steps would be for the working group to go on and consider the inclusion in OC5 of full references to Generator Connection Conditions for compliance and life time testing plus the addition of provisions for testing for Connection Conditions on User networks. This would require the addition of a network operator representative to the working group. Mike Kay stated that he had already identified a individual for possible nomination to the working group but he wanted to discuss the issue again with the PESs at their next meeting in a fortnights time.

905 The Panel agreed that the working group should now consider these issues.

906 John France was concerned that the paper includes a suggestion (section 4.1 (f) of the paper) that the redrafting of OC5 should at some stage consider replacing the disputes resolution procedure with a common resolution process based on an independent engineer. John stated that this had been debated at earlier Panel meetings and it was not necessary to consider this issue further. It was pointed out to John that the earlier debate had not resolved the issue. However it was not intended that the working group should consider this issue at this stage anyway.

## **5.2 CC.6.3.3 Review Working Group Update**

907 Geoff provided an update of working group progress and tabled a short update paper at the meeting (this paper is attached to these minutes). This working group has already held one meeting in anticipation of a request by Ofgem for a full review. The paper included a draft of the terms of reference for the review and these would remain in draft form until such time that Ofgem makes a formal request for a review. At that point the terms of reference would be reviewed against Ofgem's requirements. In the meantime NGC was conducting an analysis of how the system would perform with generators of differing characteristics connected.

908 Bridget Morgan confirmed that it was still expected that a formal review would be required and that the request for the review would be triggered following a certain generator's application for a generation licence.

## **6. NEW GRID CODE MODIFICATION PROPOSALS.**

### **6.1 Proposed changes to the definition of NGC Demand (GCRP 01/11)**

909 Geoff went through the paper which explains that as a result of the changes made to the Grid Code for NETA, the current definition of NGC Demand is not clear. In addition the definition does not include external interconnection demand. There is also a knock on effect associated with the definition of National Demand.

910 Geoff pointed out that the proposed definition of National Demand as presented in the paper requires amendment as the last bullet point suggests that exports across External Interconnections should be subtracted from the amount of electricity supplied from Grid Supply points. However, the definition of Grid Supply Points does not include External Interconnections anyway. Therefore, the last bullet point of the definition should read:

‘and, for the purpose of this definition, does not include:-

- any exports from the **NGC Transmission System** across **External Interconnections.**’

911 John Norbury commented that it was difficult to relate these definitions to the demand required for the operation of the Balancing Mechanism. Geoff agreed that although the demand described by these definitions is the demand given by the BMRS it might not necessarily be the information that BM participants may wish to see. It was nevertheless the demand that has been used for many years and NGC would wish to continue with this form in order to make meaningful comparisons with past data for long term planning purposes. Any requirement to change the form of demand data published on the BMRS should be made through the BSC and would not initially be an issue for the GCRP.

912 Malcolm Taylor asked if the change to the definition would have any impact on the day ahead process. In reply, Geoff stated that the proposal merely seeks to clarify the current position and does not change the demand data or how it is used.

913 The Panel agreed that, with the above amendment, NGC should issue a Consultation paper.

914 **Action:** *NGC to prepare a Consultation Paper on the proposed Demand definition changes.*

## 7 OTHER GRID CODE RELATED ISSUES

### 7.1 Neta – Update on Progress

915 Geoff Charter provided a verbal update, stating that NETA had been implemented on 27<sup>th</sup> March 2001 and Issue 2 of the Grid Code had become effective from that date. Geoff reported that NGC was not aware of any problems with the application of the Grid Code under the new arrangements.

916 John Norbury stated that Ofgem’s March 2001 conclusions paper with respect to NGC Computing shutdowns had proposed that.....

‘...NGC should (in due course, after Go-Live) provide a report to the Grid Code Review Panel setting down the detailed reasons for their inability to develop software as originally intended and their concerns on how, if the original proposals had been adopted, to manage a planned outage that became an unplanned outage. Recognising the impracticalities associated with requiring NGC to process large quantities of changes notified by fax or telephone in such circumstances, this should also include a description of the alternative options available for making changes that would better meet the original requirements, together with an analysis of the costs and issues associated with these options. This matter may then be considered as appropriate by the Grid Code Review Panel in due course’.

John asked if there had been any progress on this matter.

- 917 NGC said that this work had not yet been progressed and undertook to consider the issues and raise them at the Panel as soon as possible.
- 918 **Action:** *NGC to produce a Panel paper on computer shutdown issues.*
- 919 Malcolm Taylor took the opportunity to congratulate NGC on the recent Operational Forum held for the benefit of BM Participants.
- 920 Malcolm stated that one of the issues arising from the forum was that of NGC issuing Bid/Offer Acceptances which take the generator to the end of the Balancing Mechanism period but then expect the generator to return to its PN instantaneously. This results in the generator then being in imbalance and causes financial and technical problems. Malcolm asked how this situation could be addressed.
- 921 Nick Fee explained that NGC National Control had taken a consistent view on the intention of the Grid Code wording regarding BM Units with long dynamic parameters and their treatment at the end of the Balancing Mechanism window, but was keen to keep a dialogue going with those generators experiencing difficulty.
- 922 Nick George stated that the Grid Code requires that all instructions should be closed, except when dynamic parameters prevented the return to PN level within the Balancing Mechanism window. There was some debate over the issue of whether this return should be instantaneous. It was agreed that Malcolm Taylor should liaise with Nick George and Nick Fee to investigate, and NGC would draft Grid Code change proposals if considered necessary.
- 923 **Action:** *NGC to draft Grid Code Change proposals if necessary*
- 924 Malcolm also raised the issue of small volume Bids and Offers being experienced by some generators. It was suggested that it would be helpful if Bid/Offer Acceptances were subject to a minimum volume and this minimum volume could be specified in individual BM Unit Dynamic Parameters.
- 925 NGC agreed to note this problem but it was accepted that this was not an issue for the Grid Code Review Panel.
- 926 Alan Robinson had also been asked by Edison Mission to raise the issue of notification to BM Participants of planned NGC IT outages. These notices are currently published on the BMRS but participants are only aware of outages if they have interrogated the BMRS. In the Grid Code Glossary and Definitions the definition of Planned Maintenance Outage states that notice of such outages will be given but does not specify how this notification will be made.
- 927 NGC agreed that it might be possible to issue an e-mail notification to all BM participants but this would require participants to notify NGC of their e-mail addresses. NGC are currently considering a related issue concerned with the inclusion of e-mail in the definition of 'In writing' or 'written' when used in connection with the supply of data, information and notices. It was agreed that Alan's concern would be considered along with this.
- 928 John France also stated that there may be a possible issue with the Grid Code provision for BM data to be provided by electronic data transfer and NGC's non acceptance of data by fax. This was noted although Nick Fee pointed out that the reason for this requirement was that even a small data change if provided by fax

results in a large amount of work to ensure the appropriate databases are updated. However a few BM Participants had initially experienced problems with electronic data transfer facilities and they had been granted short time limited derogations (which had now all expired) to enable them to overcome their data transfer problems.

## **7.2 Panel Membership and Constitution (GCRP 01/12)**

- 929 Geoff Charter introduced the paper which proposes changes to the makeup of GCRP membership in three areas. The paper proposes that generators could be represented by 4 members for those with Large Power Stations and 1 for those without Large Power Stations. In addition the PES Licence split is recognised such that it is suggested there should be 3 representatives for Network Operators and 1 representative for Suppliers. Finally it is recommended that Non Embedded Customers should be represented on the GCRP.
- 930 John France commented that while he supported the inclusion of Suppliers and Non Embedded Customers on the GCRP he could not support the proposal to change the generator representation to 4 seats for Generators with Large Power Stations. He felt that this could result in generators being represented by a disproportionate number of members from smaller companies who did not have the resources available to give full attention to GCRP matters.
- 931 It was pointed out that the proposals attempt to address the changing structure of the industry and the exact generator representation would be decided through the nomination process.
- 932 After some discussion the Panel agreed that a Consultation Paper should be produced explaining the options for representation generally, including the two alternatives for generators i.e. the proposals described in the Panel paper and the status quo.
- 933 **Action:** *NGC to produce a Consultation paper on the GCRP membership proposals.*
- 934 The question was again raised on how Suppliers and Non Embedded Customers would be elected to the Panel. It was suggested that NGC would write to all such prospective participants indicating that a GCRP seat would be available and allow them to decide on their representatives. In the event that a satisfactory conclusion cannot be reached in this way, NGC and Ofgem can make the final choice

## **7.3 Large Embedded Power Stations and Distribution Constraints (GCRP 01/013)**

- 935 The issues covered by this paper were first raised at the GCRP in February 2001 and were presented on behalf of a number of Generators by Malcolm Taylor. Malcolm stated that at the February meeting it had been suggested that the issue was not one for the GCRP to consider at that time and should be progressed through Ofgem. Malcolm stated that Ofgem and the Secretary of State had since advised in writing that progress could usefully be made by using the GCRP review process.
- 936 Malcolm explained that the reason for seeking the proposed change to the Grid Code was that it was felt by some Generators that the current Grid Code wording discriminates against the group of Embedded Large Power Stations in respect of distribution constraints and operation in the BM. The proposals seek to change the

Grid Code text to remove this discrimination such that Embedded Large Power Stations are treated in the same way as directly connected Large Power Stations. It was noted that in addressing this issue there may need to be some other consequential Grid Code changes in addition to those proposed in the paper.

- 937 Mike Metcalfe reminded Members that the role of the GCRP was to consider any review of the current Grid Code, recommending any proposals for change to the Authority. Therefore any issues related to how the content of the current Grid Code was arrived at was not for the GCRP to consider so any discussion should be concerned with the proposed changes to the text in question.
- 938 The generators generally supported the proposals presented in the paper. Mike Kay stated that although the Network Operators would generally wish to maintain a neutral position he could not envisage any commercial problems for them to revert to the pre NETA condition. He felt that if any Grid Code change was agreed the scope of the change should be limited to 'grandfathering' the rights of the existing group of embedded generators. Generators suggested that any proposals should include the two principles of no discrimination in the Grid Code between embedded pre-NETA Centrally Despatched generators and directly connected generators, and that there should not be increased costs for network operators.
- 939 With a view to agreeing a way forward, Mike Metcalfe stated that normally the GCRP would review the Grid Code and if a good reason for change were identified then consultation would be carried out with the wider industry on the proposals. A report would then be sent to the Authority with recommendations for change but reflecting any dissenting views. The consultation would normally only be concerned with technical issues.
- 940 However this issue appeared to be fundamentally about property rights, and thus was basically a commercial issue. Mike stated that there was a financial interest for NGC and/or BSUOS payers, depending on NGC's incentive arrangements. NGC would not put forward a report containing a recommendation for any Grid Code changes without declaring this financial interest.
- 941 After further discussion it was agreed that NGC would draft a consultation paper, liaising with Malcolm Taylor and other GCRP members on its content and format. Mike Kay noted that a back to back consultation exercise would be required for the Distribution Code to harmonise any proposed treatment.
- 942 **Action:** *NGC to liaise with panel members to produce a Consultation paper on the proposed Grid Code change concerned with Embedded Large Generators and distribution constraints.*

## **8 TUG Issues**

### **8.1 Feedback from TUG meetings**

- 943 Mike Metcalfe provided feedback from the last two TUG meetings held on 9<sup>th</sup> February and 23<sup>rd</sup> March 2001.
- A presentation on the findings of the Reactive Power Review working group, on 23<sup>rd</sup> March, was well received but as this was the final meeting of TUG it was agreed that further progress could only be made through the auspices of CUSC.

- R2P2 - There was report on from this working group which described the work and progress of this group over the last few years.
- RPMWG – There had been a discussion on NGC Publication of the need for Mvar response in some areas ahead of the next tender round which is due to commence on 9<sup>th</sup> September.

944 Mike also reported that CUSC was now in the implementation stage and a CUSC Panel had been elected. Ofgem had recently issued a Conclusions document on their CUSC consultation. This specified the required changes to the existing draft CUSC. The amended version will be sent back to Ofgem for approval and finally to the Secretary of State for designation. Final implementation is expected in early June. The first CUSC Panel meeting has been arranged to take place on 7<sup>th</sup> June.

945 In response to a query from John Norbury, Robert Lane confirmed that all Bilateral Agreements would be effective from the CUSC Implementation date. John was surprised as he felt there were still many agreements to be finalised.

946 It was agreed that feedback from the CUSC process would be included in any future GCRP Agenda.

## **9 ANY OTHER BUSINESS**

947 Geoff made the Panel aware that the Grid Code and GCRP information were now readily accessible from the NGC microsite available under the NGC internet website. Malcolm Taylor stated that he thought the microsite was a good source of information and felt that it could be enhanced by using it to broadcast Panel Membership.

## **10 DATE, TIME & VENUE OF NEXT MEETING**

948 Thursday 13<sup>th</sup> September 2001, starting at 10:30 am, at National Grid House.