

Paper to the Grid Code Review Panel meeting on 8 February 2001

Review of Panel Membership

1 Introduction

- 1.1 Paper GCRP 00/09 considered changes to the GCRP Constitution necessary because of the introduction of NETA. The paper also suggested that a review of the Panel Membership should be considered.
- 1.2 At the meeting of the Grid Code Review Panel on 17 February 2000, it was agreed that the minimum changes necessary for NETA should be progressed, but that a more complete review of Panel Membership should be undertaken later.
- 1.3 This paper is intended to initiate discussion on that fuller review.

2 Initial post-NETA membership

- 2.1 Following the approval of the revised Grid Code and Panel constitution for use post-NETA, the initial membership will comprise:
 - (a) a Chairman and up to 4 members appointed by **NGC**;
 - (b) a person appointed by the **Director**; and
 - (c) the following members:
 - (i) 3 persons representing those **Generators** each having **Large Power Stations** with a total **Registered Capacity** in excess of 5 GW;
 - (ii) a person representing those **Generators** each having **Large Power Stations** with a total **Registered Capacity** of 5 GW or less;
 - (iii) 3 persons representing the **Public Electricity Suppliers**;
 - (iv) a person representing the **Generators** with **Small Power Stations** and/or **Medium Power Stations** (other than **Generators** who also have **Large Power Stations**);
 - (v) a person representing the **BSC Panel**; and
 - (vi) a person representing the **Externally Interconnected System Operators**;

3 Review of Membership

- 3.1 The Appendix to this Paper contains section 3 of paper GCRP 00/09 discussed at the Panel meeting on 17th February 2000. It presented one view of proposals for a new make up of Panel membership.

3.2 Another approach would be to retain the existing structure of membership and to review each grouping separately, i.e. Generators, Network Operators, Suppliers, etc. Points relating to these are discussed below.

3.3 Generators

As discussed in the Appendix, the current distinction between Generators on the basis of size of company is more difficult to justify due to the significant increase in the number of companies with Large Power Stations totalling less than 5GW. However, it is apparent that many of these companies are "single power station" companies, who would probably find it more difficult to allocate resources to the duties of a member of the Grid Code Review Panel. It has also been stated that the NII takes comfort from the fact that one of the current Panel members is from a company operating nuclear power stations.

It should also be noted that in the development of the licence exemptions regulations, it has been suggested that the current requirements in the Grid Code relating to "licence exempt generators", (i.e. Small and Medium Power Stations) should be transferred to the Distribution Code, as they would always be expected to be Embedded in a Distribution system. If this comes about, it could be argued that there is no justification for the GCRP to have a member representing this class of generation.

3.4 Network Operators

Network Operators are currently represented by the three PES representatives. Apart from a change of name to Network Operators upon the withdrawal of PES licences, there seems no reason to amend this area.

3.5 Suppliers

This class of Users is not currently well represented. There is a greater role for Suppliers post-NETA, where the Grid Code requirements for communications systems and the provision of data will apply to a number of Suppliers. It may be considered appropriate to create a new position on the Panel for a representative of this group. The mechanism for filling this post will require some consideration.

3.6 Co-ordination with BSC Panel

The close co-ordination necessary between developments of changes to the Grid Code and the Balancing and Settlement Code are probably best served by the presence of a BSC Panel representative on the GCRP. The BSC requires that joint working arrangements are established with each Core Industry Document (which includes the Grid Code) owner to enable changes to CIDs consequent upon a BSC modification. However, there is no similar reciprocal requirement, but the current arrangement may be considered to be adequate.

4 The Way Forward

- 4.1 This paper is intended to facilitate discussion of the issues at the meeting of the Grid Code Review Panel on 8th February 2001. Panel members are invited to consider:
- The basis for representation of the Industry at the Grid Code Review Panel;
 - The classes of Membership;
 - The number of representatives for each Class;
 - The nomination/appointment process for Members.
- 4.2 Panel Members are requested to agree that changes to the Grid Code and Panel constitution should be progressed after NETA Go-Live.
- 4.3 Following the meeting, NGC will prepare a Consultation Paper relating to agreed changes to the Panel membership to amend the Grid Code General Conditions. Equivalent changes to the Constitution and Rules will also be prepared for approval at a subsequent GCRP meeting.

The National Grid Company plc
24th January 2001

Appendix - Section 3 of Paper GCRP 00/09

3 Other options for changing the Panel membership

- 3.1 One issue that has already been raised by some Users is that Suppliers, as BM Participants, will have a greater interest in parts of the Grid Code (primarily the Balancing Codes) than is currently the case. At present they are not directly represented on the Panel, but are perhaps represented through the PES representatives and/or the PEC representative. If it is considered appropriate to give Suppliers greater representation, then there appear to be three options for doing so :-
- a) through a BSC Panel representative;
 - b) through a Supplier representative; or
 - c) through a BM Participant representative.
- 3.2 In NPSG-02 and NPSG-07, NGC proposed to distinguish between physical assets and trading entities. Thus the Balancing Codes will in general refer to BM Participants, whilst the remainder of the Grid Code will in general continue to refer to the physical asset owners (ie Generators, Network Operators, and Externally Interconnected System Operators). **A key principle that currently applies to the Panel, and should be retained post-NETA, is that representatives cover their class of membership rather than their company.** In keeping with this principle, NGC thinks that option c) above would be the best way for Suppliers to be represented on the Panel. Further, it might be sensible to have two BM Participant representatives (one for the generation side and one for the supply side of the Balancing Mechanism) instead of having a separate BSC Panel representative.
- 3.3 In terms of Generator representatives, there are currently 3 representatives covering the 4 large generating companies, 1 representative covering the other 38 licensees with centrally despatched generators, and 1 representative covering the 12 licensees with only non-centrally despatched generators. It is to be considered whether this representation is still appropriate post-NETA. One suggestion would be that there are three Generator representatives (thus mirroring the Network Operator representatives) in addition to the BM Participant from the generation side. The three Generator representatives could be specified into different classes of Generator if the Grid Code requirements and technical needs of the different classes warrant it (for example one for Small Power Stations, one for individual Large Power Stations, and one for collections of Large Power Stations).
- 3.4 In addition, it may be appropriate to reduce the number of NGC members to 3 plus the chairman (to cover the System Operator, Network Owner, and Grid Code Development roles).
- 3.5 These suggestions would lead to a Panel membership consisting of :-
- a) a chairman and 3 members from NGC;
 - b) a person from Ofgem;
 - c) 3 representatives of Generators;
 - d) 3 representatives of Network Operators;
 - e) a representative of Externally Interconnected System Operators; and
 - f) 2 representatives of BM Participants.