

## Final Self-Governance Modification Report

# GC0152:

## Updating the Grid Code governance process to ensure we capture network code on electricity emergency and restoration (NCER) change process for Article 4 Terms & Conditions (T&Cs)

**Overview:** The proposal aims to ensure that retained EU law functions effectively in the context of the Grid Code following the UK-EU Trade and Co-operation 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.

### Modification process & timetable



**Have 5 minutes?** Read our [Executive summary](#)

**Have 20 minutes?** Read the full [Final SG Modification Report](#)

**Have 30 minutes?** Read the full Final SG Modification Report and Annexes.

**Status summary:** The Panel has determined unanimously that the Proposer's solution should be implemented after the appeals window closes.

**Panel recommendation:** The Panel has determined unanimously that the Proposer's solution is implemented.

**This modification is expected to have a:** **Low impact** on Code Governance team at NGESO and Industry parties raising Modifications.

**Modification drivers:** Efficiency/Governance

<b>Governance route</b>	Self-Governance modification proceeded straight to Code Administrator Consultation.
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<b>Who can I talk to about the change?</b>	<b>Proposer:</b> Steve Baker <a href="mailto:Stephen.Baker@nationalgrid.com">Stephen.Baker@nationalgrid.com</a> 07929724347	<b>Code Administrator Chair:</b> Ian Ascroft <a href="mailto:Ian.Ascroft@nationalgrideso.com">Ian.Ascroft@nationalgrideso.com</a> 07929 654061
<b>Appeals window</b>	If you want to appeal this decision, please send your <a href="#">appeals form</a> and relevant documentary evidence to <a href="mailto:industrycodes@ofgem.gov.uk">industrycodes@ofgem.gov.uk</a> by 5pm on 24 December 2021 and ensure you copy in <a href="mailto:grid.code@nationalgrideso.com">grid.code@nationalgrideso.com</a>	

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## Executive summary

### What is the issue?

EU Commission Regulation 2017/2196 established a network code on electricity emergency and restoration (NCER). As part of this, the GB Transmission System Operator (NGESO) was required to submit amendments to NCER Article 4(4), so that broad references in the mapping are replaced by detailed references to specific provisions of the Grid Code. ESO also received requests to define the possibility of and conditions for aggregation of the defence and restoration service providers.

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

**Proposer's solution:** A new table 2 has been added to the Governance Rules to capture mapping of NCER Article 4(4) T&Cs for system defence and system restoration service providers to the Grid Code. Additional minor changes have been made to Governance Rules for consistency.

**Implementation date:** 29 December 2021

**Panel determination:** The Panel has determined unanimously that the Proposer's solution is implemented

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

All parties will benefit from a clearer and compliant process.

### Interactions

None.

## What is the issue?

EU Commission Regulation 2017/2196 established a network code on electricity emergency and restoration (NCER). As part of this, the GB Transmission System Operator (NGESO) was required to submit the following proposals to Ofgem in accordance with *COMMISSION REGULATION (EU) 2017/2196 establishing a network code on electricity emergency and restoration (NCER)*:

- the terms and conditions to act as a Defence Service Provider on a contractual basis in accordance with Article 4
- the terms and conditions to act as Restoration Service Providers on a contractual basis in accordance with Article 4

Two proposals for NCER Article 4(4) have previously been sent to Ofgem, who requested amendments, that broad references in the mapping are replaced by detailed references to specific provisions of the Grid Code. Ofgem also requested the ESO define the possibility of and conditions for aggregation of the defence and restoration service providers to be resubmitted.

The NCER Article 4(4) further states that any amendment to these T&Cs needs to be consulted on with stakeholders for a period of not less than one calendar month.

On 13<sup>th</sup> July 2021 Ofgem published their decisions<sup>1</sup> on a number of submissions made by the NGESO to fulfil requirements set out under the NCER. This included their approval of the T&Cs noted above. Clarification of this point was sought from Ofgem who confirmed their decisions, and also on the basis that the T&Cs were mapped to obligations that had already been approved within the GB Frameworks.

## Why change?

A minor amendment needs to be made to the Grid Code to ensure this minimum consultation period is adhered to.

By making changes to the Grid Code Governance Rules we can capture the necessary minimum consultation period, which will ensure the NCER process is followed.

This is similar to the process implemented as part of GC0132, updating the Grid Code governance process to ensure that for all future modifications to elements of the Code mapped to the Balancing T&Cs covered by the EBGL Article 18 process the Grid Code is aligned.

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<sup>1</sup> [https://www.ofgem.gov.uk/publications/decision-ncer-proposals-regarding-tcs-sgu-list-and-high-priority-sgu-list?utm\\_medium=email&utm\\_source=dotMailer&utm\\_campaign=Daily-Alert\\_13-07-2021&utm\\_content=Decision+for+NCER+proposals+regarding+T%26Cs%2c+SGU+list+and+High+Priority+SGU+list&dm\\_i=1QCB,7GE8F,I7EWB4,UAS4J,1](https://www.ofgem.gov.uk/publications/decision-ncer-proposals-regarding-tcs-sgu-list-and-high-priority-sgu-list?utm_medium=email&utm_source=dotMailer&utm_campaign=Daily-Alert_13-07-2021&utm_content=Decision+for+NCER+proposals+regarding+T%26Cs%2c+SGU+list+and+High+Priority+SGU+list&dm_i=1QCB,7GE8F,I7EWB4,UAS4J,1)

## What is the solution?

### **Proposer's solution**

A new table 2 should be added to the Governance Rules to capture mapping of NCER Article 4(4) T&Cs for system defence and system restoration service providers to the Grid Code. Additional minor changes have been made to Governance Rules for consistency.

### **Legal text**

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

## What is the impact of this change?

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

<b>Stakeholder / consumer benefit categories</b>	<b>Identified impact</b>
Improved safety and reliability of the system	<b>Neutral</b>
Lower bills than would otherwise be the case	<b>Neutral</b>
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Neutral</b>
Improved quality of service	<b>Positive</b> This modification improves the governance process by making it compliant with NCER

### **Proposer's assessment against the Applicable Objectives**

#### **Proposer's assessment against Grid Code Objectives**

<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	<b>Positive</b>

Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and	Ensures a compliant process
(e) To promote efficiency in the implementation and administration of the Grid Code arrangements	<b>Neutral</b>

### **Code Administrator consultation summary**

The Code Administrator Consultation was issued on the 11 October 2021 closed on 11 November 2021 and received one response. The response submitted was from the Proposer of the modification so was in support of the solution, reiterating the low impact of the modification and its perceived benefits, as well as being in support of the proposed implementation approach; the full response can be found in Annex 4. No further comments were raised by the ESO in reply to Code Administrator Consultation responses.

### **Panel determination vote**

The Panel met on the 25 November 2021 to carry out their determination vote. They assessed whether a change should be made to the Grid Code by assessing the proposed change against the Applicable Grid Code Objectives.

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Alan Creighton, Network Operator Representative**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
<b>Voting Statement</b>						
The modification improves the Grid Code governance process by making it compliant with the Emergency and Restoration network code.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Alastair Frew: Generator**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
<b>Voting Statement</b>						
This modification will ensure that the legally require minimum consultation periods will be applied.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Christopher Smith: Offshore Transmission Licensee**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
<b>Voting Statement</b>						
The modification meets the objectives required.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Guy Nicholson: Generator**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
Voting Statement						
No further comments.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **John Harrower: Generator**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
Voting Statement						
This modification replaces broad references in the Governance Rules with specific references to Grid Code provisions.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Rob Wilson: National Grid ESO**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
Voting Statement						
This is a very minor modification to line up the Grid Code modification process with the change process set out in the Emergency and Restoration European Network Code (as retained in GB Law) where relevant. No impact on any parties is anticipated.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Robert Longden: Supplier**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Yes	Yes	Neutral	Y
Voting Statement						
The proposal appropriately updates the Grid Code regarding the network code on electricity emergency and restoration (NCER) change process for Article 4 Terms and Conditions (T&Cs). It should be made.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Ross Kirkwood (on behalf Roddy Wilson): Onshore Transmission Licensee**



	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Y
Voting Statement						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Sigrid Bolik: Generator**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
Voting Statement						
No further comments.						

**Vote 1:** Does the Original, facilitate the objectives better than the Baseline?

Panel Member: **Graeme Vincent (on behalf of Steve Cox): Network Operator Representative**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Yes	Neutral	Y
Voting Statement						
The modification ensures that the Grid Code processes are compliant with the requirements of Emergency and Restoration Code						

**Vote 2 – Which option is the best?**

Panel Member	BEST Option
Alan Creighton	Original
Alastair Frew	Original
Christopher Smith	Original
Guy Nicholson	Original
John Harrower	Original
Rob Wilson	Original
Robert Longden	Original
Roddy Wilson	Original
Sigrid Bolik	Original
Steve Cox	Original

### Panel conclusion

The Panel unanimously determined that the Proposer's solution is implemented.

## When will this change take place?

**Implementation date**

29 December 2021

**Date decision required by**

6 December 2021

**Implementation approach**

Standard

## Interactions

☐ Grid Code☒ BSC☐ STC☐ SQSS☐ European☐ EBR Article 18☐ Other☐ Other

Network Codes

T&Cs<sup>2</sup>

modifications

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<sup>2</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.

**Acronyms, key terms and reference material**

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

**Annexes**

Annex	Information
Annex 1	Proposal form
Annex 2	Self-Governance Statement (if required)
Annex 3	Draft Legal Text
Annex 4	Code Administrator Consultation responses