

Response to Digitalised Whole System Technical Code Consultation 1

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Q1. What challenges do you have with using the technical codes?

When talking about the existing code documents, we agree that it can be difficult to navigate and bring together numerous articles to understand a participant's obligations, but It is not clear that combining the two codes would solve this. We agree with the Citizen Advice recommendation that the first step for the project should be to quantify the improvements that can be achieved and at what cost. Likewise, we support Energy UK's response, which calls for a cost benefit analysis.

One of our main challenges is the lengthy, complex, and resource-intensive code change processes. It is difficult to resource participation in technical code change. Multiple aspects of code administration need improvement and better resourcing.

Where we identify defects in the codes, we need a change process that can allow defects to be remedied quickly and in a transparent manner. We have experienced onerous new requirements for power generation compliance placed on us unintentionally via 'minor technical changes' to D-Code EREC G99, including changes not shown in consultation documents. The ENA DER Technical Forum has been helpful in facilitating correction of such defects without the need for the market participants impacted having to raise a modification themselves. **If the codes are merged, we would not want an outcome where it becomes harder for network users to get such issues corrected in a timely manner.**

Q2. Where there are challenges, please provide examples of areas where you would like to see change.

The ENA provides a series of DG Connection Guides which are regularly updated to reflect changes to the underlying ERECs and help guide users through the process set out in code. These are very useful. Provision of these guides should not be lost If the codes are combined.

Conversely, it is incredibly difficult to follow Distribution Code change on the D-Code website: it appears that not all modification/workgroup documents are placed online and more recently I tried finding a final D-Code report for a change referenced by Ofgem and was not able to locate it, even after e-mailing the D-Code administrator. I would like to see the D-Code website updated to display code-change documents for each individual modification in a user-friendly manner along the lines of BSC or Grid Code.

The ESO, also currently Grid Code Administrator, could consider producing similar user-friendly guidance documents to the DG Connection Guides. There is some documentation on the ESO website split by sub-topic but appears to be nothing that brings together the journey in the same way.

Q3. Are there further advantages and disadvantages of the potential solutions above?

There is a risk that creating a single WSTC could unintentionally create barriers to entry to flexible resources if technical requirements are aligned across the current codes without properly considering the impact of the changes on smaller assets. (This concern arises from our experience of copying Requirements for Generators (RfG) text from Grid Code to Distribution Code.) Making sure the potential solutions don't do this would be a very resource intensive exercise for all parties.

The Distribution and Grid Codes are becoming more aligned naturally. However, having the two separate codes currently allows flexibility to apply small differences that may be appropriate for a particular sector or scale of operation.

We do not see any major advantages to creating a Whole System Technical Code at this point in time, when the resources needed to deliver this by all involved would be better directed elsewhere.

The distribution code compliance point is already being addressed elsewhere through a modification.

Code simplification must not mean a loss of legal clarity.

Q4. Which of the issues identified in section 2, (or by yourself in answer to Q1) would be addressed by each of the solution options?

Largely, they would not.

The solutions could make the codes easier to navigate, but this is not guaranteed.

Q5. Are there additional potential solutions for whole system alignment which could deliver value?

Adopting a standard way of sharing and searching for code change and actual code documents on the Code Administrator websites - especially bringing D-Code documents up to the standard of BSC and Grid Code would help users engage with D-Code change.

Use of non-binding guidance documents also signposting the relevant code section for legally binding wording, along the lines of the DG Connection Guides, could be used to help guide market participants through code requirements.

Q6. Are there additional potential solutions for digitalisation which could deliver value?

No - but users need to be able to understand how the code impacts all other parties, not just themselves.

Q7. Which of the potential solution(s) for digitalisation do you see as providing the most benefit?

It is hard to say without using examples of the solutions. Digitalisation by itself will not automatically deliver an improved experience for users. Consideration also needs to be given to the cost and time needed to deliver the solutions.

Q8. What risks and/or opportunities do you see in digitalising codes in parallel to work on code alignment, potential consolidation, and the Energy Codes Reform programme? Please also share your views on how best to mitigate these risks.

Work on digitalisation should not be done where it is likely to conflict with or need to be unpicked as a result of the Energy Codes Reform programme or divert resources from it.

Q9. Do you think the digitalised codes should be legally binding or for guidance only? Why?

At this point in time, we would prefer the digitalised code to be for guidance and for all parties to have access a legally binding underlying full PDF version. It is important that we have sight of the full code(s) to understand the obligations other parties have to meet.

Q10. Do you see value in progressing these work packages independently of the ECR and do you think they should be progressed?

The consultation document has not articulated the benefit to addressing the concerns about differences between the levels of detail and complexity in the Distribution Code and the Grid Code. We do have concerns about our ability to connect new assets to the network in a timely and efficient manner - but it is not clear that these work packages would help with this.

We have raised concerns previously with DNOs and Ofgem about the fact that different DNOs having different requirements when we go through the connections process - despite using the same G99 forms. The work packages would not address this.

Q11. Are there other opportunities that could be considered?

Expanded use of user-friendly guidance documents - in lieu of digitalisation and consolidation.

Q12. Stakeholders have articulated that there is strong interdependence between options in whole system code consolidation or alignment (Section 3.1), digitalisation (Section 3.2) and the delivery of solutions (Section 3.5). Do you have a preferred combination of these solutions that you see as delivering the best value considering the issues implementing the solutions? Please provide a rationale for your response.

We would like to see an estimation of the cost for these solutions first.

If any solutions are progressed & clear benefits identified for users, priority should be given to those which can be undertaken in the most time and cost-effective manner.

Q13. Are there other aspects of the project delivery where you see risks and opportunities to mitigate these?

If done well, this is likely to be a very resource-heavy project for all participants, requiring a significant amount of legal support. The interdependence issue creates a risk of existing code obligations being changed - either unwittingly or unnoticed by users. Market participants need to be confident that their existing obligations will not be made more onerous through this process.

We agree with the Energy UK response, which says that this project "must not result in any changes in obligation for existing or new Code parties, including Code Administrators and network operators."

Q14. Do you agree with the key benefits outlined above and can you see other benefits resulting from this project?

Whilst the key benefits outlined in Section 4 are desirable, I'm not convinced they would be delivered through the WSTC project and believe they could be delivered through other less costly mechanisms. As the cost of this work will ultimately be paid for by consumers, the ESO needs to set out the cost of these options.

4.1 - could be delivered through guidance documents, like the ENA Connection Guides.

4.2 - the benefit of this would be outweighed if harmonisation results in harder to meet requirements for smaller assets

4.3 - it is not clear how this encourages innovation, as for 4.2 the benefit would be outweighed if the code text and change processes still block innovation

4.4 - could be delivered through guidance documents, like the ENA Connection Guides

4.5 - agree with the risk identified in the final sentence - that changes to the Distribution Code and ERECS would take longer and be more difficult if the modification process was

like that of the Grid Code. As mentioned above the Distribution Code administrator needs to make access to current and historic D-Code modification documents more user-friendly.

Q15. Do you think that the proposed governance structure will enable delivery of the project? Would you change any aspects? If so, why?

Probably - 5.1 does suggest how resource intensive this project would be, and that is before accounting for the work that individual parties would have to undertake internally.

Where would responsibility sit for analysing the costs vs benefits of the project?

Q16. Which elements of the project would you, or your organisation, like to be involved in? If so, please state what capacity, and provide a short description of the perspective and value that you would bring to the project.

Considering the ongoing level of market-change and resource constraints, despite being a larger company, it is unlikely that we would be able to resource participation in work or advisory groups.

We would be involved in any discussion at DCRP.

We would participate in discussion at existing industry forums, and ESO webinars on project progress.

Q17. What principles should apply when forming membership and ways of working for the various project groups?

The papers from the various project groups should be published - so that stakeholders outside the groups can follow developments.

Q18. What are your views on the proposed Terms of Reference for the steering group?

There is nothing in the Terms of Reference directing the steering group to direct an outcome that is in the best interests of consumers (value for money, effective, enabling competition etc.)

Q19. Do you have further views on how to best include all the relevant perspectives in the governance of the project?

Trade association membership of the Steering Group should not be limited to only 1-2. If more trade associations are interested in joining, this is an effective way of accessing the views of more stakeholders.

Q20. How do you think the steering group should make decisions, particularly if there is not consensus?

No view. A note summarising the steering group discussion should be published.

Q21. What are your views on the proposed stakeholder engagement? Is there more that can be done to ensure effective stakeholder engagement?

The proposed engagement is good. Recording webinars is very helpful.

Q22. Would you like to attend the webinars? If so, please leave your contact details in your feedback.

Yes - helen.stack@centrica.com .

Q23. Would you like to request a regular update from the project at your forum? If so, please leave contact details of your forum in your feedback.

We would welcome your engagement with EUK and the ADE.

Q24. What are your views on the proposed schedule?

Most of the schedule has now passed - the timing and level of engagement offered has worked very well.

This consultation is available online here:

<https://www.nationalgrideso.com/industry-information/codes/digitalised-whole-system-technical-code>

Please return responses to box.wholesystemcode@nationalgrideso.com before 5pm on 12th November 2021.