

Workgroup Consultation Response Proforma

GC0160: Grid Code Changes for BSC Mod P448 - “Protecting Generators subject to Firm Load Shedding during a Gas Supply Emergency from excessive Imbalance Charges”

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to grid.code@nationalgrideso.com by **5pm on 12 October 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Milly Lewis milly.lewis@nationalgrideso.com or grid.code@nationalgrideso.com

If you would like more information on the BSC Modification P448 or would like to respond to the P448 Workgroup Consultation, please click [here](#).

| Respondent details | Please enter your details |
|-------------------------|--------------------------------------|
| Respondent name: | Camille Gilsenan |
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I wish my response to be:

(Please mark the relevant box)

Non-Confidential

Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable Grid Code Objectives are:

- a) *To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity*
- 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);*
- 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;*
- d) *To efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and*
- e) *To promote efficiency in the implementation and administration of the Grid Code arrangements*

For reference, the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:

- a) *fostering effective competition, non-discrimination and transparency in balancing markets;*
- b) *enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) *integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) *contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) *ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) *facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) *facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

What is the EBR?

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the ESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

Please express your views in the right-hand side of the table below, including your rationale.

| Standard Workgroup Consultation questions | | |
|---|---|--|
| 1 | Do you believe that the Original Proposal better facilitates the Applicable Objectives? | Mark the Objectives which you believe the Original solution better facilitates: |
| | | Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E |
| | | NGESO supports the intent of the original proposal. |
| 2 | Do you support the proposed implementation approach? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| | | NGESO recognises the importance of reducing the risk of generator exposure to large volumes of electricity imbalance charges (plus the associated credit requirements). NGESO also understands during a Network Gas Supply Emergency that the instruction to |

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| | | <p>the station comes from the GSO, therefore there is a need for a secondary mechanism to enable the appropriate settlement process.</p> <p>A change in the definition of a PN will ensure that affected units would submit Physical Notifications (PNs) for the impacted period to reflect how they would have operated to meet their contractual position in the absence of a gas emergency. These PNs are required to facilitate this secondary settlement process, thus protecting the generator from exposure to large volumes of electricity imbalance charges and credit risk.</p> <p>NGESO and the workgroups needs to further assess the impacts of amending section BC2.5.1 and BC1.4.2 to the rest of the Grid Code. This wider impact assessment will be completed by 14th October and legal text will be updated accordingly.</p> |
| 3 | Do you have any other comments? | The Grid Code Legal text and BSC legal <u>text</u> must be compatible and consistent, and any changes need to consider wider impacts to the codes. A final check is needed to ensure the BSC and Grid code legal text is consistent (e.g. PN and FPN definition, PN process) |
| 4 | Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text. |
| 5 | Do you agree with the Workgroup's assessment that GC0160 does not impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Grid Code? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No NGESO agrees that the revisions to the Grid Code proposed by GC0160 do not impact Article 18 Terms and Conditions within the Grid Code |

| Specific Workgroup Consultation questions | | |
|---|--|--|
| 6 | Based on the outline of the potential BSC alternatives, do you have any comments on their likely impacts on the Grid Code? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No These options expand the scope of the original proposal and would have impacts on the Grid Code. A change in scope would need to be considered appropriately with the workgroup. |

