

Catia Gomes, Frameworks Officer  
National Grid Electricity System Operator  
Faraday House  
Gallows Hill  
Warwick  
CV34 6DA  
[grid.code@nationalgrideso.com](mailto:grid.code@nationalgrideso.com)

**BY EMAIL ONLY**

31 October 2023

Dear Catia,

**GC0154: Incorporation of interconnector ramping requirements into the Grid Code as per SOGL Article 119**

ElecLink Limited (“**ElecLink**”) welcome the opportunity to respond to the Code Administrator Consultation in relation to proposed Grid Code modification GC0154.

ElecLink is a 1000MW HVDC electricity interconnector between Great Britain and France, which commenced full commercial operations in May 2022. ElecLink have responded to the individual questions raised in the consultation paper in the pro forma provided, included below.

ElecLink have been an active participant in the GC0154 workgroup, attending each of the 17 meetings that have taken place to date and pursuing substantial additional engagement with NGESO and other key stakeholders in an effort to find a suitable enduring solution. Throughout our engagement in the workgroup meetings, ElecLink have raised a number of significant concerns which were clearly set out in our response to the Workgroup Consultation but continue to persist at the time of writing. Our concerns continue to be reflected in our responses to the specific consultation questions below.

To supplement our responses to the Workgroup Consultation and the Code Administrator Consultation, we would like to highlight the following concerns over the potential implementation of the Original proposal:

1. ElecLink remain concerned with the level of engagement with connected EU TSOs. The Original proposal would constitute a significant operational change for all affected TSOs. Slower interconnector ramping will inevitably impact connected EU TSOs’ management of the security of their own systems. A comprehensive understanding of the impacts on EU TSOs is a necessity before adjusting the ramp rate from the current status-quo. Any attempt by NGESO to unilaterally change a key operational parameter, directly affecting TSOs in connected countries would be irresponsible and risks undermining the rebuilding of the relationship between GB and EU TSOs that has started to renormalise this year following the

UK's exit from the EU. This comes at a time when closer cooperation with the EU is required to deliver much-needed market reforms.

2. The Original proposal submitted by NGESO is premised on the potential financial benefits being suggested by the original CBA. The report produced by AFRY has identified several areas of the original CBA where further details and/or considerations need to be investigated, to ensure the accuracy and robustness of the purported CBA benefits. This includes, but is not limited to, (i) the assumption that the procurement of reserve and response products will remain unchanged in the future (i.e., the increasing role of battery storage is not factored in); (ii) further analysis into whether balancing costs are largely driven by non-interconnector related changes in the system; and (iii) a quantification of the benefits a quicker ramp rate currently brings to the grid (i.e., increasing the adequacy of the system, instances where thermal actions are avoided due to a quicker ramp rate). Without a fully comprehensive, robust assessment of (i) the costs and benefits of a ramp rate reduction – for both GB and EU TSOs – and (ii) a full technical assessment to understand the technical implications for connected electricity grids, it is ElecLink's view that a reasonable, informed decision cannot be made to deviate away from the status quo.

ElecLink remain committed to working collaboratively with NGESO and other market participants in this area. If you have any questions on any of the contents of this consultation response, please contact the ElecLink Regulation team - [regulation@eleclink.co.uk](mailto:regulation@eleclink.co.uk).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Murphy'.

Patrick Murphy

Regulatory Advisor

**Code Administrator Consultation Response Proforma****GC0154: Incorporation of interconnector ramping requirements into the Grid Code as per SOGL Article 119**

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](mailto:grid.code@nationalgrideso.com) by **5pm on 07 November 2023**. 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 [catia.gomes@nationalgrideso.com](mailto:catia.gomes@nationalgrideso.com) or [grid.code@nationalgrideso.com](mailto:grid.code@nationalgrideso.com)

Respondent details	Please enter your details	
<b>Respondent name:</b>	Patrick Murphy	
<b>Company name:</b>	ElecLink Limited	
<b>Email address:</b>	Patrick.murphy@eleclink.co.uk	
<b>Phone number:</b>	+44 20 3934 8203	
<b>Which best describes your organisation?</b>	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input checked="" type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

**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, (for consultation questions 5 & 6) 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 Code Administrator Consultation questions			
1	Please provide your assessment for the proposed solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:	
		Original	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		WA(G)CM1	<input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" type="checkbox"/> D <input checked="" type="checkbox"/> E

		<p>As per our response to the Workgroup Consultation, we view the WA(G)CM1 proposal as the solution that better facilitates the objectives of the Grid Code, and is in keeping with Ofgem's 2019 decision, namely, the expectation that the requirement to codify ramping arrangements would not '<i>constitute a change to existing GB requirements and arrangements</i>'.</p> <p>Implementing the Original proposal (codifying a ramp rate of 50MW/min) could undermine the well-established benefits to system flexibility and security of supply provided by interconnectors. Furthermore, a change of this nature <u>will impact upon TSOs in connected markets</u>.</p> <p>It is our view that any change to the existing ramp rate needs to be reasonable and proportionate. As raised during workgroup meetings, the concerns raised by the Proposer as justification for the change lacks an adequate evidence base to justify such a significant change (i.e., the current cost and frequency of balancing actions linked to interconnector ramping).</p>
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input checked="" type="checkbox"/> WA(G)CM1
		<p>As per our response to the Workgroup Consultation, we view WA(G)CM1 as the preferred solution. However, codifying 100MW/min at this time should not preclude future discussions between industry participants.</p>
3	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		<p>In the event the Original proposal was approved by the Authority, we believe the implementation date should be delayed until after the Winter 2023/24 period.</p>
4	Do you have any other comments?	<p>The Original proposal would constitute a significant operational change that <u>will directly impact EU TSOs in connected markets</u>.</p> <p>Following the UK's exit from the EU, engagement with the EU and EU TSOs has been challenging. This year, relationships between GB and EU TSOs have started to renormalise, with closer cooperation now taking place in areas of fundamental market reform. This unilateral action by NGESO is not</p>

	<p>proportionate and risks undermining the relationships being rebuilt and goodwill that is being attained by all cross-border parties. It is our view that any unilateral actions taken by a TSO which will have significant ramifications on another TSO in a linked country is irresponsible. This comes a time where closer cooperation – more than ever – is required between the UK and the EU to deliver the much-needed market reforms.</p> <p>A comprehensive understanding of the impact(s) on connected EU markets needs to be established. Slower interconnector ramping would inevitably impact connected EU TSOs' management of the security of their own systems (e.g., with regards to fluctuations in system frequency). An attempt by NGESO to unilaterally change a key operational parameter in this way risks undermining the relationship between the UK and EU, encouraging equivalent unilateral changes being imposed by EU TSOs.</p> <p>As noted above in our response to question 3, codifying the existing ramp rate of 100MW/min will not preclude the ability for future discussions between industry participants within GB and connected EU markets. We are concerned that discussions to date have predominately focused on limiting the ramp rate of interconnectors – which could be considered as a short-term 'blunt tool' for managing the grid. Instead, we would support the ESO having more holistic discussions with market participants that explore a range of options and/or incentivise the development of innovative solutions to manage and optimise the grid, and to procure flexibility services (i.e., demand response, storage). It is our view that this approach would be more beneficial to the GB and EU energy markets which are currently going through a series of market reforms and will continue to evolve in the coming years.</p> <p>As noted in AFRY's analysis, the CBA for this code modification, has not given consideration to future changes to the procurement of reserve and response products. Given these omissions, together with concerns we previously raised in our Workgroup Consultation response (e.g., the apparent use of 2022 figures to benchmark balancing costs is questionable due to 2022 being an atypical year; absence of interconnector imbalance costs; absence of EU balancing costs) the original CBA cannot be seen as a reliable evidence</p>
--	--

		base to quantify the costs and benefits of implementing a significant operational change.
5	Do you agree with the Workgroup's assessment that GC0154 does 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
		Click or tap here to enter text.
6	Do you have any comments on the impact of GC0154 on the EBR Objectives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		As per our response to the Workgroup Consultation, the Original proposal will impact on EU TSOs. A comprehensive understanding of the impact(s) on EU TSOs is required before any change to the status quo is made.