

07 November 2023

Dear ESO,

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

Thank you for the opportunity to respond to this Code Administrator consultation ('the Consultation'). This response is being made on behalf of the GB Interconnectors' Forum (GBIF) and is not confidential.

GBIF consists of representatives of approximately 30GW of operational and future electricity interconnectors into GB. There is currently 8.4GW of interconnection into GB and this is expected to rise sharply over the next ten years, potentially meeting and exceeding the government's ambition of 18GW by 2030.

A completed copy of the Code Administrator Consultation Response Proforma is attached to this letter as Appendix 1.

The views set out in the Consultation have not changed since the Working Group Consultation. ESO still supports the original proposal, whilst Working Group members and all (non-ESO) respondents to the Working Group consultation support the Working Group Alternative Proposal.

Likewise, GBIF's views have not changed since our Working Group Consultation response, and we consider all the comments made in that response to still be valid. GBIF would like to make two additional points:

1) Afry report

GBIF is aware of the additional report produced by Afry that was commissioned by Interconnector representatives on the Working Group. GBIF considers that this is a credible report that should be given due consideration by the ESO and Ofgem in their deliberations on GC0154. The Afry report casts further doubt on the veracity of the results of the Baringa CBA, reinforcing comments that we made in our Working Group Consultation response. In particular:

- The Afry report could not replicate the findings of Baringa that there is a high correlation between cumulative interconnector ramping and balancing volumes and costs;
- The Afry report highlights conservative assumptions included in the Baringa CBA that would only serve to over-estimate the benefits of the original proposal – for instance it does not anticipate any future efficiencies in any changes to the procurement methods for response and reserve; and

- The Baringa CBA does not include any negative impacts driven by limiting interconnector ramping. This is particularly important as connected energy systems require flexible assets for balancing purposes. As stated in our Working Group consultation response, it is surely counter-intuitive to be limiting the flexibility of assets available to the ESO.

In summary, GBIF considers that the Afry report re-inforces the shortcomings of the Baringa CBA, and must be considered alongside it in the decision-making process for GC0154.

2) EU TSO engagement

GBIF also recommended that more meaningful engagement was required with EU TSOs on this topic. We note the ESO's comments that, post-Brexit engagement with the EU is 'problematic', however this should not be used as a reason for lack of engagement on important topics. GBIF understands that EU TSOs are preparing a response to this consultation and we look forward to the Code Administrator considering any comments appropriately.

GBIF continues to believe that, instead of pursuing individual single code modifications like GC0154, a proper, holistic review of interconnector operation should be undertaken, including proper engagement with all affected stakeholders, to ensure that market-based solutions are developed that deliver benefits to consumers. The interconnector community, as represented by GBIF, is willing to engage constructively in such an exercise.

Please contact me if you would like to discuss any part of this response in more detail.

Yours faithfully

John Greasley
Chair, GB Interconnectors' Forum

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 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 or grid.code@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	John Greasley	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network <input type="checkbox"/> Operator <input type="checkbox"/> Generator <input checked="" 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

		Click or tap here to enter text.
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input checked="" type="checkbox"/> WA(G)CM1
		<p>The current arrangements and associated parameters for interconnector ramping should be incorporated into the Grid Code as-is, as envisaged by WA(G)CM1.</p> <p>No changes to interconnector ramp rates should be implemented until a robust assessment has been undertaken, and GBIF does not consider that this has happened.</p>
3	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		GBIF does not support the implementation approach for the original proposal, but does for the Alternative
4	Do you have any other comments?	Please see comments in accompanying letter and in GBIF's response to the Working Group consultation.
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
		The original impacts negatively, the alternative impacts positively
6	Do you have any comments on the impact of GC0154 on the EBR Objectives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Please see comment in accompanying letter