

Workgroup 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 03 August 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 catia.gomes@nationalgrideso.com or grid.code@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Simon Ludlam	
Company name:	MaresConnect Limited	
Email address:	simon.ludlam@mareconnect.ie	
Phone number:	07748919870	
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 type="checkbox"/> Industry body	<input checked="" type="checkbox"/> Interconnector <input type="checkbox"/> Storage <input type="checkbox"/> Supplier <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.

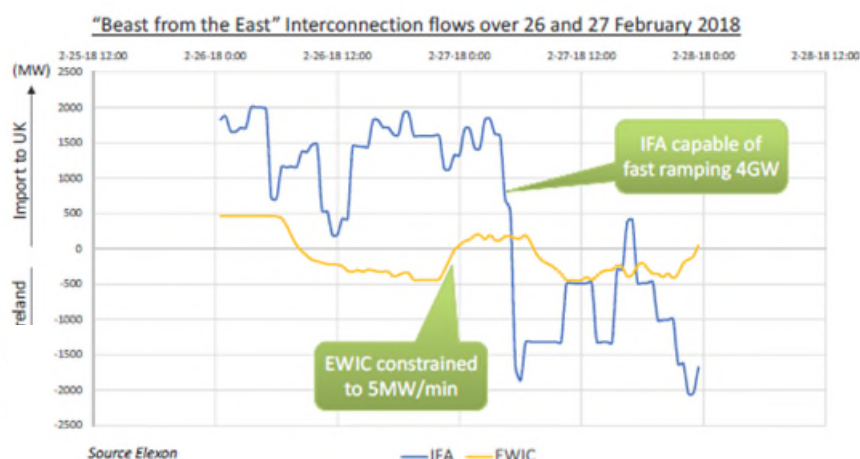
Please express your views in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions

1	Do you believe that the Original Proposal and/or any potential alternatives better facilitate the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <table border="1"> <tr> <td data-bbox="491 398 991 454">Original</td> <td data-bbox="999 398 1552 454"> <input type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E <input type="checkbox"/>F <input type="checkbox"/>G </td> </tr> <tr> <td data-bbox="491 461 991 517">WA(G)CM1</td> <td data-bbox="999 461 1552 517"> <input type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E <input type="checkbox"/>F <input type="checkbox"/>G </td> </tr> </table> <p>Click or tap here to enter text.</p>		Original	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G	WA(G)CM1	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G
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WA(G)CM1	<input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G						
2	Do you support the proposed implementation approach?	<p> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </p> <p>MaresConnect Limited (MCL) welcomes the National Grid ESO's Workgroup Consultation GC0154: Incorporation of interconnector ramping requirements into the Grid Code as per SOGL Article 119, published on 11 July 2023 (the Consultation).</p> <p>MaresConnect is a proposed 750MW interconnector between Ireland and Wales, aiming to commence operations in 2029. MaresConnect has a grid connection agreement with National Grid and was granted an interconnector licence from Ofgem in 2022. Ofgem is currently assessing MaresConnect's application for Cap and Floor regulation in Great Britain as part of its Third Cap and Floor window, with a decision expected end of 2023/early 2024. Further information can be found on our website.</p> <p>MaresConnect recognises the challenges National Grid ESO faces in operating the system in a safe, secure and efficient manner as we transition to net zero. As an HVDC interconnector, MaresConnect (and other HVDC interconnectors) are some of the most flexible assets available to the ESO. Interconnectors serve as a versatile instrument in the National Grid's toolkit, offering economic solutions to the challenges encountered by the ESO. Ensuring operational flexibility of these interconnectors should remain a priority when contemplating modifications to the grid code.</p> <p>In that regard, we are of the view that the proposal in GC0154 would result in limiting the flexibility of interconnectors which will in return reduce the benefit of interconnection to consumers. If there is a reduction in flexibility services that interconnectors are able to provide, this could result in more costly methods of flexibility being required.</p> <p>We do not agree with the proposal for changing interconnector ramp rate, and we disagree with the outcome of the CBA that ESO commissioned to support the GC0154 proposal. We recommend that the alternative solution proposed by the Workgroup Members is implemented.</p> <p>In support of our response:</p>					

- We urge ESO to work with interconnectors and other stakeholders to develop market-based solutions for interconnector operation that deliver benefits to consumers at both ends of the interconnector. This will allow ESO to develop a long term solution to the issues it is facing which will ultimately benefit consumers. In our view, the approach of seeking to address issues with simultaneous ramping through this proposed Grid Code change precluded the opportunity for market-based solutions to be developed, due to the technical nature of this code.
- Our interpretation of Ofgem's decision letter of August 2019 (Implementation of the requirements listed in Article 118 and 119 of the SOGL Regulation) which prompted this proposal is that Ofgem expected current arrangements to be codified within the Grid Code (and on that basis an Impact Assessment was not required). We do not believe that the Ofgem decision letter envisaged a change to interconnector ramp rates.
- We do not consider that sufficient evidence has been provided that simultaneous ramping of interconnectors causes operational problems. We note that ESO has not quantified the cost of balancing actions it took during 2022 as a result of simultaneous ramping.
- We note the concerns set out on pages 13-15 of the Working Group report, which do not appear to have been adequately addressed by ESO. The Working Group also expressed concern about a lack of transparency on the methodology employed and assumptions used, which is concerning.
- We recommend that engagement with EU TSOs and the ENTSO-E System Operation Committee is required before GB implements any changes to the ramp rates. The impact of the change has not been considered in the CBA or by an assessment of the impact on the frequency quality (and therefore security of supply).
- We note that EU TSOs are starting to develop and employ smarter operational processes with cross-border assets such as grid-forming capabilities. We are aware that the GB Interconnectors Forum has responded to this consultation confirming they its members would be happy to work with the ESO to learn lessons from the EU and to consider the application of such techniques to GB borders.
- The shift towards a renewable generation base will lead to a corresponding increase in nonsynchronous power on our transmission networks and a higher degree of intermittency. HVDC interconnectors are well-suited to manage these fluctuations through the provision of ancillary services, particularly during unforeseen stress events or abrupt load losses. This was evident during the 'Beast from the East' weather event in 2018. The IFA interconnector played an instrumental role in sustaining stability and averting a potential brownout in France, as depicted in the accompanying chart.

Slow ramping rates materially reduce economic impact of Irish interconnection



- Key to the effectiveness of these interconnectors is their capacity for swift power transmission adjustments (ramping up or down), which is indispensable for the efficient delivery of ancillary services. HVDC interconnectors, by virtue of their power electronics, can support rapid power flow changes to counterbalance the intermittency inherent in renewable generation. By limiting these technical capabilities, we risk jeopardising our energy supply's security. It is therefore crucial to optimise the use of these interconnectors, to ensure a consistent and secure energy supply as we progress towards a more renewable-centric energy landscape."
- Weather depressions crossing our wind farms typically last 4-6 hours and their passage can result in significant fluctuations in wholesale electricity prices. From a consumer's perspective, it is ideal to capture as much green power as possible and take advantage of potentially lower wholesale prices. However, constraining ramp rates can impede the realization of these benefits, causing consumers to miss out on both efficient green power utilization and cost savings.

We recommend that the requirements of retained EU law should be met by codifying the existing interconnector ramping parameters into the Grid Code as envisaged by the Working Group Alternative Proposal (and by Ofgem's original decision). Once this is done, 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. We are willing to engage constructively in such as exercise.

We are available to discuss further any of the points made above.

3 Do you have any other comments?

4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
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 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 type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.

Specific Workgroup Consultation questions

7	Does the Original proposal or the alternative impact EU TSOs?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
8	Has there been sufficient effort taken to seek and obtain European engagement? Other- if other what else could have been done?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
9	Does the Original proposal / alternative	<input type="checkbox"/> Yes <input type="checkbox"/> No

	allow for GB to reach its net zero targets?	Click or tap here to enter text.
10	Do you believe the Original proposal or alternative impacts the interconnector business model? (Please consider any commercial and operational impacts)	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
11	Does the Original proposal / alternative meet the requirements of Ofgem's August 2019 decision on the implementation of the SOGL? (Check if this is incorporated in grid code objectives)	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
12	Do you believe that the Original/alternative solves the operational challenges faced by the ESO as a result of fast simultaneous interconnector ramping?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
13	Do you believe the Original proposal or alternative proposal/s impacts or is impacted by the EU 15 MTU change?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
14	Do have any comments on the reliability of the CBA conducted by Baringa? If available, please provide any analysis supporting your response.	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
15	Are there any considerations for implementation on the Original proposal /alternative proposals?	<input type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.

	(e.g., IT impacts or considerations)	
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