

# Code Administrator Meeting Summary

## Meeting name: GC0166 Workgroup Meeting 3

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Date: 08/04/2024

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### Contact Details

Chair: **Milly Lewis (ESO)** [milly.lewis@nationalgrideso.com](mailto:milly.lewis@nationalgrideso.com)

Proposer: **Steve Baker (ESO)** [stephen.baker@nationalgrideso.com](mailto:stephen.baker@nationalgrideso.com)

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## Key areas of discussion

The Chair led the introductions and outlined the objectives of the meeting.

### Review Actions Log

The Chair led a review of the action log.

### Review Terms of Reference

The Chair led a review of the Terms of Reference, asking the Workgroup to comment on progress so far.

The Workgroup agreed that it needed to be clear whether the scope could go beyond pumped storage into engines etc. The Workgroup queried if battery energy suppliers were represented on the Workgroup (**Action 7**)

The Workgroup discussed whether an additional Terms of Reference was required to cover any REMA change and potential future interaction, however it was agreed that as REMA would require extensive changes to the Grid Code it is not within the scope of this modification.

### Legal text discussion

The Proposer took the Workgroup through their proposed Legal Text changes, adding dynamic parameters in Glossary and Definitions and Balancing Code 1.

### *New Definitions*

The Proposer introduced the concept of Maximum Delivery Offer (MDO) and Maximum Delivery Bid (MDB) and new dynamic parameters to be included in BC1.A.1.5 Dynamic Parameters for Short Duration assets. The Workgroup meeting focused on these new definitions.

The Proposer introduced the concept of Future State of Charge (FSoC) which the Workgroup did not fully discuss, however there were concerns on how State of Charge (SoC) was being presented. As energy doesn't align with how battery operators would describe this and that

SoC seems very battery specific. The ESO SME shared that for planning purposes you probably need to be asset specific, but further discussion would be had on this topic.

### Technical versus Commercial Parameters

The Workgroup had extensive discussion without reaching a consensus whether the proposed dynamic parameters should be a technical (what plant is physically capable of delivering) or a commercial (what the provider has elected to deliver) parameter.

Key points of discussion included:

- Whether allowing redeclarations post gate closure could be abused by Balancing Mechanism (BM) participants and how far out parties should be allowed to protect their commercial positions.
  - The ESO SME shared that notifications should only be redeclared on a Bid Offer Acceptance (BOA) or for a technical issue.
- The complexity of the inclusion of service obligations expressing this could get quite complicated very quickly.
- Concerns that battery operators would need to withdraw from the wholesale and capacity markets.
- Whether as a technical parameter it would not be optional to be in the BM and if parties should be offering what they have as per their license condition.
- That currently Users can choose to be outside the BM if under 50MW, but were GC0117 approved it could change this in England and Wales forcing smaller units into the BM.
- How the parameter would work with multiple Balancing Mechanism Units (BMU).
  - The ESO SME clarified that it would be in line with Maximum Export Limit (MEL) and Maximum Import Limit (MIL) and be a time varying parameter.
- Concerns that using MEL and MIL as a trading position is an issue the Authority should be looking at, as per the Grid Code and license obligations.
- That when making a commitment in whichever channel it should be a firm commitment or penalties should apply.

### *Time resolution for parameters*

The ESO SME clarified the desire for the parameter to be a time resolution parameter which considers commercial contracts, and the ESO SME shared that the ESO treat Physical Notifications (PNs) as sacrosanct and therefore should not be changed.

A Workgroup Member raised concerns around using time resolution parameters and suggested one variation per settlement period seemed to be the correct trade off.

The Workgroup discussed the complexity of picking out behaviours of parties alongside considering different scenarios and suggested the Workgroup understand how limiting these situations would work in reality (**Action 11**)

*Guidance note to support industry understanding*

During the discussions interest was expressed around using a guidance note to ensure that there could not be a misinterpretation of the parameter obligations, as parameters in the Grid Code are not defined as either technical or commercial and the need to for industry and the Authority to all interpret the same way. The Chair explained that the legal text should be refined until there is sufficient understanding alongside the Workgroup Report.

**Review Timeline**

The Chair led a review of the timeline and suggested bringing forward Workgroups 4 and 5 before launching a Workgroup Consultation and then having 2 or 3 further Workgroups post Workgroup Consultation. The Workgroup agreed with this suggestion.

The timeline to be updated and presented to the Grid Code Review Panel in April 2024 for approval.

**Any Other Business**

None

**Actions**

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
3	WG2	BD	To present the next level of detail of the 4 solutions incorporating feedback from WG members at during WG1 and WG2.	Draft legal text presented at WG3	WG3	Closed
4	WG2	SB	Expectation and scope of GC0166 in relation to newly built or yet to be built Pump Storage not covered by the existing Pump Storage Grid Code defined term and any potential unfair treatment this may cause,		WG3	Open
5	WG2	SB	If there is a parallel or subsequent BSC mode, it would be useful to cross check the definitions in the BSC and the Grid Code and references to various storage technologies.	Proposer shared slide in WG3.	WG3	Closed
6	WG2	JW	Enquire with Ofgem to have an Authority representative to attend further meetings.	Ofgem representative has joined WG and attended WG3	WG3	Closed
7	WG3	ML	Clarify which Company business areas Workgroup members are representing.		WG4	New

8	WG3	SB/BD	Clarify whether GC0096 and point on pumped storage was this a point in time or not a point in time.	WG4	New
9	WG3	SB/BD	Liaise with ESO legal on whether MDO & MDB definitions should in the Glossary & Definitions or BC2. Current precedent within BC2 has some definitions within should they be moved to the G & D or vice versa.	WG4	New
10	WG3	ML	Pros & Cons of using a commercial or a technical parameter to added to the Workgroup consultation.	WG4	New
11	WG3	RD, CM, ET, SL, BD	Example of various scenarios and good practise capturing trade off in terms of time variations. Real life code examples.	WG4	New
12	WG3	SB/BD	References in BC1 compliance	WG4	New
13	WG3	ML	Update timeline as agreed by Workgroup for Grid Code Panel approval.	WG4	New

### Attendees

Name	Initial	Company	Role
Milly Lewis	ML	Code Administrator, ESO	Chair
Andrew Hemus	AH	Code Administrator, ESO	Tech sec
Steve Baker	SB	ESO	Proposer
Bernie Dolan	BD	ESO	SME
Andrew Colley	AC	SSE	Observer
Chris Mcleod	CM	Habitat Energy	Workgroup Member
David Graves	DG	Quorum Development	Observer
Eli Treuherz	ET	Arenko	Workgroup Member
Euan Killengray	EK	Krakenflex	Observer
Ewen Ellen	EE	Scottish Power	Observer
Giorgio Balestrieri	GB	Tesla	Workgroup Member
Graham Lear	GL	ESO	Observer
Grazina Macdonald	GM	Waters Wye & Associates	Workgroup Member

Hooman Andami	HA	Elmya Energy	Workgroup Member
Julie Richmond	JR	Scottish Power Renewables	Workgroup Member Alternate
Kamila Nugumanova	KM	Drax	Workgroup Member
Lauren Jauss	LJ	RWE Supply and Trading	Workgroup Member
Luke McCartney	LM	Ofgem	Authority Representative
Maria Popova	MP	Centrica	Workgroup Member
Mark Ajal	MA	SSE	Workgroup Member Alternate
Mark Steger	MS	EDF Energy	Observer
Matthew Donnachie	MD	Scottish Power	Observer
Mel Ellis	ME	Shell	Workgroup Member Alternate
Natasha Bayler	NB	ESO	Observer
Nathan Moriarty	NE	ESO	Observer
Olly Frankland	OF	Electricity Storage Network/Regen	Observer
Pete Noyce	PN	Krakenflex	Observer
Richard Devenport	RD	Shell	Workgroup Member
Robert Longden	RL	Cornwall Insight/Eneco Energy Trade BV	Workgroup Member
Sandy Kelly	SK	EDF Energy	Workgroup Member
Shantanu Jha	SJ	Zenobe	Workgroup Member
Shivam Malhotra	SM	LCP Delta	Observer
Simon Lord	SL	Engie	Workgroup Member
Sonia Quiterio	SQ	Conrad Energy	Workgroup Member Alternate
Stephen Dale	SD	ESO	Observer
Stephen Knight	STK	SSE	Workgroup Member
Sushanth Kolluru	SUK	LCP Delta	Observer
Tikshala Gothankar	TG	Yuso	Workgroup Member Alternate
Tom Debenham	TD	LCP Delta	Observer