

Workgroup Consultation Response Proforma**GC0117: Improving transparency and consistency of access arrangements across GB by the creation of a pan-GB commonality of Power Stations requirements**

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 5 August 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 Ruth Roberts ruth.roberts@nationalgrideso.com or grid.code@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Mike Kay
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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:

- To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity
- 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);
- 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;
- 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
- To promote efficiency in the implementation and administration of the Grid Code arrangements

Commented [MK1]: What are these?

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 WAGCM1 better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe each solution better facilitates:</p> <table border="1"> <tr> <td>Original</td> <td><input type="checkbox"/>A</td> <td><input type="checkbox"/>B</td> <td><input type="checkbox"/>C</td> <td><input type="checkbox"/>D</td> <td><input type="checkbox"/>E</td> </tr> <tr> <td>WAGCM1</td> <td><input type="checkbox"/>A</td> <td><input type="checkbox"/>B</td> <td><input type="checkbox"/>C</td> <td><input type="checkbox"/>D</td> <td><input type="checkbox"/>E</td> </tr> </table> <p>No. Clear benefits from these proposals have not been demonstrated. The status quo is definitely undesirable and probably unsustainable in the long term. But such changes need to be considered in the wider context of the changes necessary for net zero – as question 10 suggests.</p> <p>Whilst the historic discriminatory treatment of different sizes of installation based on geography is not defensible, any change to these arrangements needs to recognize how the total system needs to evolve to enable net zero. The proposals in this modification risk taking steps that are out of line with the strategies that need to be developed for a net zero electricity system.</p> <p>In particular we note that initiatives developing the industry's response to the Electricity System Restoration Standard (in GC0156) include using distributed resources, but where the data and control of the resources is undertaken by the DNO. As currently envisaged this development would only be immediately compatible with WAGCM1 and potential alternative 1.</p>	Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E	WAGCM1	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E
Original	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E									
WAGCM1	<input type="checkbox"/> A	<input type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E									
2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Click or tap here to enter text.												
3	Do you have any other comments?	Yes – see the answer to Q10.												
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.												

Specific Workgroup Consultation questions

E5	Do you believe it is appropriate to change the definition of Demand Capacity and associated Grid Code definitions so that they align with the changes to Large, Medium and Small Power Stations? If so, do you think this should be addressed as part of this Grid Code modification or separately?	No comment.
6	Do you see any unintended consequences of this changing the definition of Demand Capacity? If so, what are your reasons for this?	No comment
7	Do you think the suggested change in the definition of Registered Capacity is appropriate and do you think this change should apply across the original and Alternative solutions proposed? If not, please state your reasons.	Yes. This is long overdue to eliminate long standing mis-interpretation. As this modification GC0117 should not proceed in its present form, this clarification of definition should be picked up at the next opportunity via a housekeeping mod, or included in another suitable modification.
8	Of the solutions proposed (i.e., the Original and Alternatives) which solution do you favour and why?	None. We should retain the baseline for now.
9	Do you think there are unintended consequences in defining Type 1 and Type 2 Licence Exempt Embedded Medium Power Stations (LEEMPS) separately? If so, please state your reasons.	We have not currently identified any, although it does introduce new discrimination between existing and new LEEMPS.
10	Do you think that there is merit in establishing a holistic net-zero view of the technical and commercial arrangements for connecting new and operating existing and new generators to meet the requirements of all stakeholders, then developing the necessary cross code changes to implement the new framework, rather than just change the definitions of power station sizes with this Grid Code modification?	Yes. There is considerable uncertainty over the strategic approach to managing the net-zero power system, and there are existing initiatives seeking to understand better what the most promising strategies are. Ofgem itself has not yet respond to the evidence it sought from the industry in its 04 August 2020 call for evidence on the visibility of distributed generation; Ofgem and the DNOs are developing DSO strategies for ED2; the ENA's Open Network's project is developing approaches in relation to data transfer partly in response to Ofgem's requires for evidence

	<p>and also NGENSO and the DNOs are engaged in pathfinder projects aimed at trialling communication and control strategies.</p> <p>All of these interact to some degree with this modification, and particularly GC0156, as noted in Q1, which is sufficiently important and urgent that it should be developed and implemented before GC0117 is considered further. The structural changes to the GB technical arrangements proposed by GC0117 risk taking industry developments down a route which is incompatible with that which the Future System Operator will determine is appropriate. There is a particular risk of imposing new costs on all parties to implement GC0117 solutions which might be inappropriate and stranded.</p> <p>Although we recognize and support the need to remove the current geographic distortions in the GB market arrangements, we do not believe that a Grid Code modification alone is sufficient. There are far reaching implications of making these changes if they impose new data and control requirements on participants. Whilst the existing arrangements are not ideal, the distortions in the market they cause are well understood. Like all distortions they are undesirable, but it is not clear that the inefficient costs that result are material. The defect presents the costs theoretically but has no measure of materiality. It is also not clear that any of the solutions proposed will be materially better.</p>
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		<p>In fact all of these proposals substitute a temporal discrimination (based on date of connexion) for the current geographic discrimination. The proposals remove the geographic distortion for the technical requirements of the equipment of new connectees but the lack of retrospective application proposed would mean that the same size generators in different parts of GB would still have different ongoing operational requirements and costs from other generators dependent on when their connexions were made.</p> <p>For this reason we believe that in the short term the baseline arrangements should persist until such time as the various initiatives, and others, mentioned above have had time to mature and for a more cohesive view of the appropriate solutions to the net zero transition emerge. We believe that it would be premature to make the changes proposed in GC0117 until the reforms to strategy attendant on the early operation of the Future System Operator have been developed.</p>
11	Do you agree that the revised arrangements should apply to new generators connected to the system i.e., not applied retrospectively?	<p>If any of these solutions go forward, there needs to be careful consideration of the retrospectivity of the operational and data reporting requirements in the Grid Code. In each case, the differences between new and old should be minimised to the extent it is economically sensible to do so.</p>
12	Should the same approach on retrospectivity apply to all options?	See answer to Q11

13	Can you identify any potential consequential impact from the GC0117 modification proposal(s) on current electricity market or balancing arrangements as set out in other code frameworks (e.g., BSC, CUSC)? If yes, please identify these.	We note that careful scrutiny will be needed of the BSC to determine if a temporally differentiated definition for "Small Power Station" does not create charging difficulties.
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