

Workgroup Consultation Response Proforma

GC0159: Introducing Competitively Appointed Transmission Owners

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 15 February 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 Ruth Roberts ruth.roberts@nationalgrideso.com or grid.code@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Claire Hynes
Company name:	RWE Renewables (Swindon) Ltd
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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:

- 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*

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 better facilitates the Applicable Objectives?	Mark the Objectives which you believe the Original Solution better facilitates:				
		<table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>A</td> <td><input checked="" 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>Objective A is better facilitated by the introduction of CATOs as CATO’s will build bespoke pieces of network at pace that will be operated and maintained over 45 years. The CATO network will be built at a lower cost to the consumer due to the early competition tendering process thus meeting the criteria to permit the development, maintenance and operation of an efficient, coordinated and economical system.</p> <p>Objective B is better facilitated by the introduction of the framework for competition in onshore networks which will identify bespoke pieces of network that can be built by CATO’s at pace enabling the connection of generation and supply of energy to the grid earlier.</p> <p>Objective C is better facilitated as the change clarifies CATOs obligations within the existing arrangements and with their counterparts in the industry to ensure a secure and co-ordinated transmission system.</p> <p>Objective D is neutral.</p> <p>Objective E is neutral.</p>	Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C
Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input type="checkbox"/> E	
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
		Yes, we agree that the implementation of this change in Q4 2023 is appropriate.				
3	Do you have any other comments?	No comment.				
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				
		This proposal introduces the minimum required change to the Grid Code to introduce the concept of CATO which we deem sufficient without need for an alternate approach.				

Specific Workgroup Consultation questions

5	<p>The Grid Code does not specify how TOs initially form/create their RES. Noting the workgroup discussion on this point, do you have a preferred approach that CATOs might follow to do this?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
		<p>We agree that it is not appropriate to put an obligation on CATO's to develop Relevant Electrical Standards (RES) and that the RES would be better placed in the SQSS as appendices than in the grid code.</p> <p>For the purposes of this change placing an obligation on the early network competition team managing the tendering process to require the CATO to comply with the RES published in the appendices of the SQSS would be the most efficient solution.</p> <p>The CATO should not be allowed to develop RES to a higher standard than the existing TO's RES as it could cause a proliferation of different RES across the UK which will result in a higher cost to the consumer. For context, UK developers are in direct competition with their European counterparts who can reference international standards developed by the European grid codes whilst the UK has three different TO RES. In practice this means that a supplier builds and compliance tests their wind turbines or inverters to an international standard for Europe to sell to a large market with high net zero target driven demand. To sell in to the narrower UK market, the supplier develops and compliance tests their wind turbines or inverters to comply with three different TO RES which often results in derating or additional cost in procurement or the supplier declining to offer their plant in the first place. This increased cost to develop the project is factored in to the CfD bid which is ultimately borne by the consumer. We recommend that the ESO work with the TOs to standardise and publish a universal UK RES to BSEN standards as removing the variability reduces the cost to the consumer, increases access to suppliers to aid projects engaged in reaching the government's net zero target and allows for CATO's to work across TO boundaries without significant issue. Furthermore, it would future proof the network for the delivering of demand and generation under consistent standards.</p>

