

## Workgroup Report

# GC0164: Simplification of Operating Code No.2

**Overview:** This modification seeks to help Users to clearly identify and understand their obligations under Operating Code No.2 (OC2) by making it more accessible, and easier to navigate and understand. This is the first modification resulting from the Alignment, Simplification and Rationalisation Workstream (ASRW) of the Digitalised Whole System Technical Code project.

### Modification process & timetable

1	<b>Proposal Form</b> 12 October 2023
2	<b>Workgroup Consultation</b> 07 June 2024 - 08 July 2024
3	<b>Workgroup Report</b> 20 November 2024
4	<b>Code Administrator Consultation</b> 02 December 2024 - 02 January 2025
5	<b>Draft SG Modification Report</b> 22 January 2025
6	<b>Final SG Modification Report Appeal Window</b> 14 February 2025 – 14 March 2025
7	<b>Implementation</b> 21 March 2025

**Have 10 minutes?** Read our [Executive summary](#)

**Have 40 minutes?** Read the full [Workgroup Report](#)

**Have 80 minutes?** Read the full Workgroup Report and Annexes.

**Status summary:** The Workgroup have finalised the Proposer's solution. They are now seeking approval from the Panel that the Workgroup have met their Terms of Reference and can proceed to Code Administrator Consultation.

**This modification is expected to have a: Low impact** on Restoration Service Providers, Generators, Interconnector Owners, Transmission Owners, Non-Embedded Customers, Network Operators and The National Energy System Operator (NESO).

**Modification drivers:** Efficiency and Transparency

<b>Governance route</b>	Self-Governance	
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## Executive summary

This Modification seeks to simplify the text in Operation Code 2 (OC2) within the Grid Code to help Users to identify and understand the obligations placed upon them.

### What is the issue?

The OC2 within the Grid Code is widely agreed to be overly complex, poorly structured, and difficult for Users to navigate. The text makes it difficult for Users to understand and comply with current processes or understand their own and others' obligations. It also contains Appendices which are more logically located in other sections of the Grid Code.

### What is the solution and when will it come into effect?

**Proposer's solution:** To simplify text in the OC2 within the Grid Code ensuring any amendments have no material impacts on any User or the NESO.

**Implementation date:** 10 Business Days following the Grid Code Panel decision.

**Workgroup conclusions:** The Workgroup concluded unanimously that the Original better facilitated the Applicable Objectives than the Baseline.

### What is the impact if this change is made?

Ease of use of OC2, which will help Users to understand and implement their obligations correctly and the NESO to administer the Grid Code. It is also believed that simplifying the text could encourage potential market entrants, as well as encouraging innovative industry entrants.

### Interactions

None identified.

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## What is the issue?

The Grid Code<sup>1</sup> is widely agreed to be overly complex, poorly structured and difficult for Users to navigate, and to identify and understand the obligations placed upon them. The Digitalised Whole System Technical Code (dWSTC) project<sup>2</sup> was set up to address some of the challenges of using the technical codes and is an opportunity to support the Energy Codes Reform (ECR) objective of code simplification.

The Operational Planning and Data Provision Code (OC2) is one section within the Grid Code where the complexity of the text makes it difficult for the reader to understand and comply with current processes or understand their own and others' obligations. It also contains Appendices that are more logically located in other sections of the Grid Code.

## Why change?

The dWSTC project was established to create an accessible and agile code system, which is easier for both new and established market participants to access, understand and navigate than the current codes. The intention is to achieve this by removing inefficiencies in operating and maintaining the codes and encouraging new industry entrants. This will also set up the codes for further development to match the current pace of change in the industry.

The NESO has received feedback from some parts of the industry, indicating that simplification of codes would deliver benefits to their organisations.

OC2 has been chosen as a starting point for simplification by the Alignment, Simplification & Rationalisation Workstream (ASRW) since it is both outdated and not one of the most heavily used parts of the Code. It therefore presents a good opportunity to test out the simplification principles (shorter and more concise text, use of diagrams, plain English, avoiding duplication of text, consider simplest version of text when drafting, rationalising definitions, should remain legally enforceable) and processes with the resources currently available. In addition, simplification of OC2 will result in better understanding of OC2's provisions by existing and new Users.

The GC0164 Workgroup established by the Grid Code Review Panel has developed the improvements proposed by the ASRW which are presented in this Workgroup Report for consideration. The proposal represents the first attempt to incorporate Grid Code simplifications flowing from the dWSTC project.

## What is the solution?

### Proposer's solution

Sections of Grid Code affected:

- Operating Code 2: Operational Planning and Data Provision
- Planning Code
- Glossary and Definitions.
- European Compliance Processes

<sup>1</sup> [\[The Grid Code\]](#)

<sup>2</sup> [\[Digitalised Whole System Technical Code\]](#)

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- Operating Code No. 5
- Balancing Code No. 1
- Data Registration Code
- General Conditions

The modification is not intended to change any obligations placed on Users in the current OC2 text. The primary aim is to make OC2 easier to understand and apply. The process followed within this modification might prove helpful while considering streamlining and improving other codes.

Collaboration across the electricity industry stakeholders is essential in gaining a better insight as to what adds most value in the attempt to simplify the Grid Code, and the formal modification of OC2 will be a key building block in the process. The ASRW has provided industry parties with the opportunity to provide early and detailed input towards the structure, content, breadth, and depth of redrafting OC2, and had developed some proposed legal text before the proposal entered this formal code modification process. GC0164 Workgroup agreed to retain one set of definitions instead of creating a separate set for each simplified section of the Grid Code.

The Proposer recommended that, in addition to the specific code modification, the Workgroup could consider how effective this process of proposal development has been, and whether it is suitable for wider adoption in relation to Grid Code alignment, simplification and rationalisation modifications.

### Summary of the changes to OC2

Section of OC2	What has changed
1. The Introduction, Objective, and Scope	Have been rewritten in plain English and the text has been rationalised.
2. Descriptions of procedures	Have been simplified and rationalised. Sections describing timelines have been amended to include diagrams to make them more comprehensible.
3. Text	Flowcharts have been used to remove repetitive text.  Overall text length (number of words) has been reduced.
4. Generator performance charts	Are proposed to be relocated in the Planning Conditions.
5. All sections	Changes have been made to improve readability and make text more concise.

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### Summary of the Changes to the Planning Code

Section of the PC	What has changed
1. PC.A.3.2.2(f)	Sub item (vi) 'Generator Performance Chart(s) shall be in the format indicated in the Planning Code Appendix G' was added to introduce location of the charts in the appendix G.
2. APPENDIX G	Introduced as new location of Performance Chart Examples.

### Summary of changes to the Glossary and Definitions

Section of the Glossary and Definitions	What has changed
<b>National Electricity Transmission System</b>	'NETS' has been added as an abbreviated form of the 'National Electricity Transmission System'.

## Workgroup considerations

The Workgroup convened 12 times to discuss the perceived issue, detail the scope of the proposed defect, discuss the proposed solution, and assess the proposal in terms of the Applicable Code Objectives.

The Workgroup held their Workgroup Consultation between 07 June – 08 July 2024 and received 3 responses. The full responses and summary can be found in **Annex 6**.

### Consideration of the proposer's solution

The modification initially followed the Standard Governance route, but it was agreed by the Authority after Workgroup 1 that GC0164 should proceed to a Self-Governance route. The Authority assessed the modification proposal and decided that the intended changes to the OC2 bore no material impact on Grid Code Users.

Grid Code Panel members met on 25 January 2024 and agreed that GC0164 would follow the Self-Governance route and that the Terms of Reference should be updated accordingly. The Terms of Reference can be found in **Annex 2**.

During discussions on the legal text for OC2 it was agreed that a shared area would be set up by the Proposer to allow members access to documents to share updates and make comments. This process was intended to enable the Workgroup to save time and effort. Workgroup members have noted that while the SharePoint has potential, there is need to think through how it is used, especially regarding version control.

The Workgroup reviewed the document on a page-by-page basis, analysing the text that had been proposed by the ASRW and ensuring the changes made were fit for purpose. In some instances, members decided to retain the original text where it was thought there might be material impacts by changing it, or where it was thought the text was already transparent.

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A Workgroup member expressed concern with changing or removing text from the existing OC2, stating removing detail may leave the code open for interpretation. Responding, the Proposer reiterated to members the intention was to simplify text for OC2, and to be as clear and concise as possible.

Another Workgroup member highlighted that when looking into the definitions, consideration should be given to the impact it may have on other parts of the Grid Code and other Industry codes in general. The Proposer agreed, advising it is not the intention for any amendments to have material impact and if amending the definitions is too large of a task then this could be carried out separately.

## Term of Reference (f) discussion

Members also discussed item (f) in the Terms of Reference “Consider whether it is appropriate to have two sets of Grid Code definitions, one set to use with OC2 and a second (existing) set to be used for all other parts of the Grid Code”. The members agreed that having two sets of glossary and definitions would cause confusion and therefore it was sensible to have one single set that covers the entire Grid Code.

## Consideration of other options

### Legal Text Discussions

During legal text discussions in Workgroup meeting 4, a member sought clarification regarding references to Generator Performance Charts in Appendix G of the Planning Code.

The Proposer confirmed there was reference in OC2 regarding Generators Performance Charts, and that the key question was where in the Planning Code the reference should be introduced. It was agreed that an offline conversation would take place to resolve the issue and details would be shared with the Workgroup at the next meeting.

This was resolved after a discussion offline; the Workgroup member was happy for the example Generator Performance Charts to be moved to the new Appendix G of the Planning Code. A new reference text was proposed and drafted in PC.A.3.2.2(f) as a result of the discussion.

A suggestion was made to add the legal text reference table (shared by the Proposer previously with the Workgroup, which illustrated the changes made to OC2) to the Annexes. This would make it easier for industry to understand the suggested changes. The Proposer agreed and the document displaying the current version of OC2 next to the proposed OC2 text has been created, the hope being to assist readers who had not been part of the GC0164 process to assess changes against intended objectives. Details of the table can be found in **Annex 5**.

## Workgroup consultation summary

The Workgroup held their Workgroup Consultation between 07 June – 08 July 2024 and received 3 responses. The full responses and summary can be found in **Annex 6**.

### Meeting Applicable Objectives:

Respondent one believed original proposal Term of References (a), (b), (c) and (d) better facilitated objectives.

Respondent two believed original proposal Term of Reference (e) better facilitated objectives.

Respondent three believed original proposal Term of References (a), (c) and (e) better facilitated objectives.

**Implementation approach:** All three respondents supported the implementation approach.

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**Alternatives:** None of the respondents wished to raise an alternative.

### **Have the changes to OC2 made it easier to understand than the existing version:**

Two respondents agreed that the changes proposed had made it easier to understand than the existing version. One respondent advised that it was difficult to form a view.

### **Would the Grid Code obligation remain the same if this version was implemented:**

Two respondents agreed that the obligation would not change. One respondent advised that some requirements have been changed/removed; adding changes may not have been intentional and were due to editorial changes.

### **The Workgroup view is there should only be one set of Glossary and Definitions applicable to the entire Grid Code, do you agree:**

Two respondents agreed that there should only be one set of glossary and definitions, having multiple definitions for the same defined term would cause confusion. One respondent did not agree, advising this was a fundamental mistake which would hamper the dWSTC project.

### **The Generators Performance Charts will move from the Operating Code to the Planning Code under this Proposal, do you agree with this change:**

All respondents agreed with this change. One respondent added that there are some further areas of OC2 that relate to the Generator Performance Chart, which could be moved into the Planning Code.

### **To help quantify the industry resources required to implement this type of change, the consultation asked respondents to indicate the number of hours spent reading and responding to the consultation:**

Respondent one advised it was difficult to quantify a number as they had spent more than one hundred hours overall working on the dWSTC project and GC0164 modification.

Respondents two and three advised they had spent approximately 5 and 10 hours reading and responding to the consultation.

Details of the Consultation can be found in **Annex 6**.

### **Post Workgroup Consultation discussions**

During the review of the legal text several amendments were highlighted by a Workgroup member. The Proposer agreed to make the necessary changes and share the updates with Workgroup members for their review.



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## **Terms of Reference discussion**

During Workgroup 10, members discussed each Term of Reference below:

### **(a) Implementation and costs**

It was suggested that Workgroup members share details of the time and effort invested during the modification process. This information could then be taken into consideration when deciding on similar projects in the future.

There were four responses to the question asked, of these the time and effort recorded ranged from 1 hour up to approximately one hundred hours in relation to time and effort invested.

(b) Review draft legal text should it have been provided. If legal text is not submitted within the Grid Code Modification Proposal the Workgroup should be instructed to assist in the developing of the legal text

A Workgroup member highlighted to the group that other areas within the Grid Code should be reviewed to ensure nothing has been missed, and updates were reflected correctly in OC2. The Proposer agreed to do a full review of the Grid Code and share their findings with members.

The Proposer had previously reviewed the Grid Code to ensure the suggested changes within the legal text would not have any adverse effect but agreed to do a further assessment. At a later meeting the Proposer advised Workgroup members that no issues were found after a second review.

(c) Consider whether any further Industry experts or stakeholders should be invited to participate within the Workgroup to ensure that all potentially affected stakeholders have the opportunity to be represented in the Workgroup. Demonstrate what has been done to cover this clearly in the report

The Proposer engaged with industry through various forums to obtain feedback in relation to the OC2 changes. A Workgroup member highlighted that it was important that feedback be received by industry parties affected by the OC2 changes. It was agreed that the Proposer would attend the OC2 Forum and share the changes made to OC2 and request feedback. Workgroup members also agreed to assist by reaching out to relevant parties to request their input.

During the OC2 Forum on 24 September 2024, the Proposer shared GC0164 documentation with the forum members. The ask was for members to feedback via a questionnaire whether the suggested changes made the document easier to use for industry. Those members who responded felt the revised OC2 changes were easier to follow.

The Chair explained that after reaching out to Industry, receiving feedback from Stakeholders at the OC2 forum and welcoming a new Workgroup member, Terms of Reference (c) had been fulfilled. The Workgroup members agreed and noted that the Proposer could not have done more to engage with industry to gain their feedback.

(d) Consider implications to sections linked to the Regulated Sections of the Grid Code

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During discussions, a question was raised regarding Term (d), a member asked whether the implications on the terms and conditions of balancing had been considered.

The Proposer explained that this was addressed in earlier Workgroup discussions and confirmed that OC2 does not have any EBR implications. Another Workgroup member supported this view and added that the modification does not change the obligations within OC2 and should not have any implications.

- (e) Consider whether the proposed redrafted OC2 is easier for stakeholders to read and understand and that the existing obligations on all parties set out in the current OC2 version have been retained.

During Workgroup discussion it was agreed that, although the Proposer had tried numerous times to engage with Stakeholders, further engagement was needed to ensure the redraft adequately addresses their obligations.

As set out in Terms of Reference (e) the Proposer attended the OC2 Forum, sharing the suggested changes and requesting feedback from members. Those members who responded agreed the redraft was easier to read and the obligations on all parties set out in the current OC2 had been retained. This was reiterated by Workgroup members during discussion through the modification process.

- (f) Consider whether it is appropriate to have two sets of Grid Code definitions, one set to use with OC2 and a second (existing) set to be used for all other parts of the Grid Code.

The Proposer during Workgroup discussion advised that two sets of Grid Code definitions had been considered but was deemed impractical due to the potential confusion it would cause for readers. Workgroup members agreed noting having two sets of definitions would contradict the overall objective of simplifying the code.

- (g) Workgroup to assess and form a view whether there are material changes or not to the modification.

Workgroup members have reviewed the legal text changes and confirmed they agreed there have been no material changes.

The legal text for this change can be found in **Annex 4**.

## What is the impact of this change?

### Proposer's assessment against Code Objectives

#### Proposer's assessment against Grid Code Objectives

Relevant Objective	Identified impact
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(a) To permit the development, maintenance, and operation of an efficient, coordinated, and economical system for the transmission of electricity This could make the operation of the system more efficient and also reduce operational costs for parties	<b>Positive</b> Users will find it quicker to find information, saving time in determining compliance requirements.
(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);	<b>Positive</b> Ease of use of OC2 will allow more Users to understand OC2, encouraging new Users to enter the industry, promoting competition and encouraging innovative industry entrants.
(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;	<b>Positive</b> A more usable version of OC2 will make it easier for Users to implement their obligations correctly.
(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	<b>Neutral</b>
(e) To promote efficiency in the implementation and administration of the Grid Code arrangements	<b>Positive</b> A more usable version of OC2 will make it easier for Users to implement their obligations correctly and for the NESO to administer the Grid Code.  Establishing a streamlined modification process for code alignment, simplification and rationalisation will help deliver more wide-ranging efficiency improvements to the codes, including Energy Code Reform.

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## Proposer's assessment against Code Objectives

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories	
Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	<b>Positive</b> Clearer obligations and easier implementation of them will help improve system reliability.
Lower bills than would otherwise be the case	<b>Positive</b> Lower Grid Code administration overheads across the industry will help to reduce bills.
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Neutral</b>
Improved quality of service	<b>Positive</b> Simplification of OC2 will result in more efficient use in complying with and understanding OC2.

## Workgroup vote

The Workgroup met on 18 October 2024 to carry out their Workgroup vote. The full Workgroup vote can be found in **Annex 7**. The table below provides a summary of the Workgroup members view on the best option to implement this change.

The Applicable Grid Code Objectives are:

### Grid code

- 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

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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

The Workgroup concluded unanimously that the Original better facilitated the Applicable Objectives than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	5

## When will this change take place?

### Implementation date

10 Business Days after a Grid Code Panel decision.

### Date decision required by

As soon as possible.

### Implementation approach

There are no system changes required to change as a result of this modification.

## Interactions

- |   |   |  |                                |
|---|---|--|--------------------------------|
| <input type="checkbox"/> Grid Code              | <input type="checkbox"/> BSC                              | <input type="checkbox"/> STC                 | <input type="checkbox"/> SQSS  |
| <input type="checkbox"/> European Network Codes | <input type="checkbox"/> EBR Article 18 T&Cs <sup>3</sup> | <input type="checkbox"/> Other modifications | <input type="checkbox"/> Other |

<sup>3</sup> If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

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## Acronyms, key terms and reference material

Acronym / key term	Meaning
ASRW	Alignment, Simplification and Rationalisation Workstream
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
dWSTC	Digitalised Whole System Technical Code
EBR	Electricity Balancing Regulation
ECR	Energy Codes Reform
NESO	National Energy System Operator
OC2	Operating Code No.2
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

### Reference material

- [The Grid Code](#)
- [Digitalised Whole System Technical Code](#)

### Annexes

Annex	Information
Annex 1	Proposal Form
Annex 2	Terms of Reference
Annex 3	ASRW Considerations
Annex 4	Legal Text
Annex 5	Legal Text Comparison Document
Annex 6	Workgroup consultation and responses
Annex 7	Workgroup vote
Annex 8	Action Log
Annex 9	Attendance Record