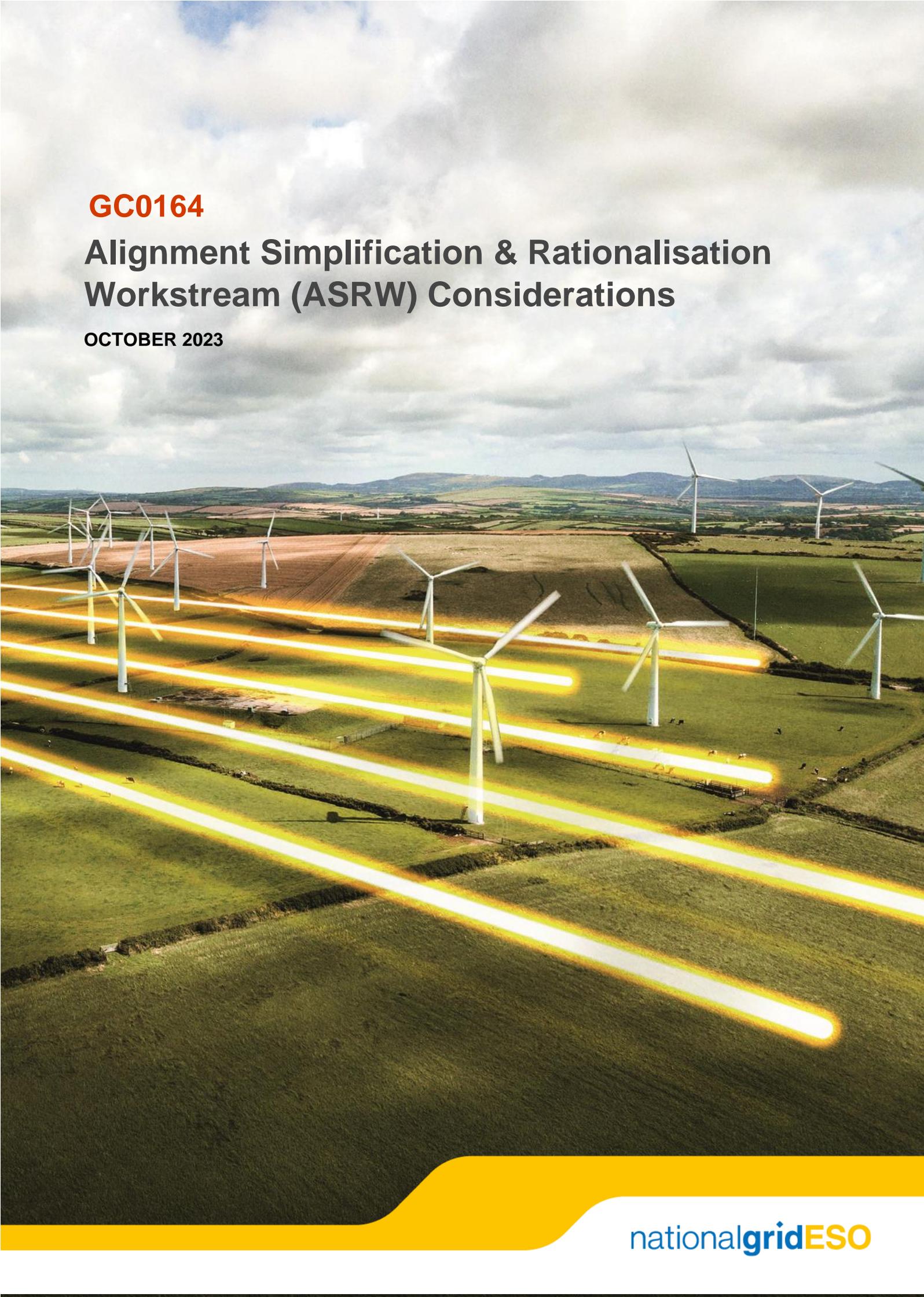


GC0164

Alignment Simplification & Rationalisation Workstream (ASRW) Considerations

OCTOBER 2023



The Alignment, Simplification & Rationalisation Workstream (ASRW) in conjunction with Industry members identified areas where examples for Operating Code No.2 (OC2) improvement could be developed. This material was collated, and the ASRW determined the qualification and the reasons for selecting which solution should be developed. Alternative legal text was subsequently developed to represent the solution.

1. Summary of the changes to OC2

The changes to OC2 can be summarised as follows.

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. Flowcharts and footnotes have been used to remove repetitive text.
4. Minor improvements in the headings of the appendices have been made.
5. Generator performance charts are proposed to be relocated in the Planning Conditions.
6. Changes have been made to improve readability and make text more concise.
7. Some changes to definitions have been proposed with the future simplification of the Grid Code definitions in mind.
8. Overall text length (number of words) has been reduced.

The proposed text has been reviewed by relevant industry parties to verify that no obligations have been unintentionally amended.

In considering how to simplify OC2 as a precursor to simplifying other parts of the Grid Code the following aspects were debated and accepted as principles to be used in the redrafting for the time being:

1. The text would look to promote simple and easy establishment of the requirements without resorting to the finest detail or overly legal text. This approach might be characterised as “principled” rather than “detailed” with the accent on understanding rather than absolute legal clarity.
2. Definitions should be used sparingly and not nested or cross-referenced.
3. Definitions can be compounded rather than being separately defined (eg so “offshore” and “grid entry point” suffice; there is no need to define the compound term).

In addition, although it was not necessary to resolve these issues for OC2, the ASRW would also propose as principles of drafting that:

4. The distinction between EU and GB Code users should be eliminated and a more generic method of dealing with changing obligations on users be developed, recognizing future modifications with complex introduction timetables.

2. Implications for Definitions

For a revised OC2 to co-exist with the rest of the unchanged Grid Code propose to create a new Glossary and Definitions (G&D). Initially this would only apply to OC2, but as further sections are modified, this would grow until when the whole Grid Code is modified, all the definitions would be in the new G&D and the original G&D would fall away.

An example of differing approaches to Simplification of OC2

There have been differing views on how the simplification approach could proceed when a modification was proposed. The legal text developed by the ASRW has taken a relatively radical approach to simplification, whilst accepting that the outcome of the code modification could result in more retention of original text. An alternative approach is to make minor changes to text and retaining legal certainty.

The ASRW encountered a challenge when considering how to capture Interconnector requirements. Interconnectors obligations in OC2 could be included under a 'New Definition' of 'Generator'. This new definition would make the long text shorter but also because Interconnectors predominantly do the same thing as Generators under current OC2 arrangements.

The differences arise from one view suggesting/proposing that:

'A good example of some of the implications of the suggested simplification is shown by the draft text in its treatment of all the parties injecting active power into the system. OC2 is concerned with active power injection scheduling, and the scheduling of outages. In this regard there is no difference between owners of conventional generation and interconnectors. Hence the new definition of Generators could include Interconnector Owners. However, Interconnect Owners could also remain a separate defined term for those places where their actions and responsibilities are different from those of other owners of other sources of active power. But within OC2 the text can be simplified by, in the main, referring to Interconnector Owners as Generators. This principle, ie not using multiple terms where one will suffice, is likely to be a significant factor in simplifying other parts of the Grid Code in due course'.

While another one suggests that:

1. 'Definitions of Interconnector Owners and Generators shouldn't be used together because Interconnector Owners and Generators have two distinct/different licences.
2. A new term could be proposed to cover both Interconnector Owners and Generators instead of one falling under the definition of the other.
3. We can use 'Generator and/or Interconnector Owner' as an option.
4. Shorter isn't necessarily simpler. We need to find a balance.
5. There is a risk of confusing users if they were combined.
6. Internal ESO legal discussions led to agreement that we need to distinguish these terms.

Views from industry stakeholders will be sought through responses to subsequent consultation(s) on the OC2 Redraft, on the specific question relating to this proposed new definition of Generator.

The ASRW and the dWSTC Steering Group discussed and challenged the proposed modifications in several meetings. Key risks to making the modifications were identified as (a mitigation for each of the risks is appended to each risk):

1. Inadvertent removal of material – Obligations were mapped and checked for retention.
2. Collateral that has been amended/removed is of material nature – The redraft focused on simplifying text and not amending/removing obligations. Mapping to test retention was carried out.
3. Creation of ambiguities resulting from simplification and rationalisation – users were asked to check for ambiguities. None were raised.
4. Impacts of definitions changes – The OC2 Redraft concentrates on improving definitions but could introduce the aspect of capturing Interconnectors as Generators for purposes of technical codes only.

The proposer would recommend that, in addition to the specific code modification, if the Grid Code Review Panel advises accordingly, a 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 work.