

Grid Code Modification Proposal Form

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, easy 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



Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.

This modification is expected to have a: Low impact

On Restoration Service Providers, Generators, Interconnectors, Transmission Owners, Non-Embedded Customers and The Electricity System Operator (ESO)

Modification drivers: Efficiency and Transparency

Proposer's recommendation of governance route

Standard Governance modification with assessment by a Workgroup

Who can I talk to about the change?

Proposer:

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What is the issue?

The Grid Code¹ is widely agreed to be overly complex, poorly structured and difficult for users to navigate, identify and understand the obligations placed upon them. The Digitalised Whole System Technical Code (dWSTC) project² 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.

Operating Code No.2 (OC2 Operational Planning and Data Provision) 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 which 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. 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 ESO have received feedback from industry, indicating that simplification of codes would deliver benefits to their organisations.

OC2 has been chosen as a starting point for simplification by the 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 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 ASRW and the dWSTC Steering Group have developed the improvements presented here for consideration. The proposal represents the first attempt to incorporate Grid Code simplifications flowing from the dWSTC project.

What is the proposer's solution?

Sections of Grid Code affected:

- Operating Code 2: Operational Planning and Data Provision
- Planning Code
- Glossary and Definitions (but see note on the implications for definitions in Annex 3).

The modification is not intended to change any obligations in the original OC2 text. The primary aim is to make OC2 easier to understand and apply. The secondary aim is to identify what adds most value in the attempt to simplify the Grid Code for electricity industry stakeholders, and to trial a potentially streamlined process for further simplification proposals.

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

¹ [[The Grid Code](#)]

² [[Digitalised Whole System Technical Code](#)]

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provided industry parties with the opportunity to provide early and detailed input towards the structure, content, breadth, and depth of redrafting OC2, and has developed some proposed legal text, before the proposal enters this formal Code modification process. In order for a revised OC2 to co-exist with the rest of the unchanged Grid Code the ASRW proposes to create a new Glossary and Definitions document. Initially this would only apply to OC2, but as further sections are modified, this would grow until the whole Grid Code is modified; all definitions would then be in the new G&D document and the original G&D would be redundant and would need to be removed from the Grid Code through a modification.

The Proposer recommends that, in addition to the specific code modification, 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 modifications.

Draft legal text

The draft legal text can be found in Annex 1.

What is the impact of this change?

Proposer's assessment against Grid Code Objectives	
Relevant Objective	Identified impact
(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	Positive 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);	Positive 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;	Positive 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	Neutral

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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	<p>Positive</p> <p>A more usable version of OC2 will make it easier for Users to implement their obligations correctly and for the ESO to administer the Grid Code.</p> <p>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.</p>

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	<p>Positive</p> <p>Clearer obligations and easier implementation of them will help improve system reliability.</p>
Lower bills than would otherwise be the case	<p>Positive</p> <p>Lower Grid Code administration overheads across the industry will help to reduce bills.</p>
Benefits for society as a whole	<p>Neutral</p>
Reduced environmental damage	<p>Neutral</p>
Improved quality of service	<p>Positive</p>

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Simplification of OC2 will result in more efficient use in complying with and understanding OC2.

When will this change take place?

Implementation date

10 working days after an Authority decision.

Date decision required by

17th July 2024

Implementation approach

The implementation approach will depend on the level of change required by industry following clarifications provided by the workgroup.

Proposer's justification for governance route

Governance route: Standard Governance

The OC2 Redraft material has been a subject of significant industry engagement and scrutiny by the ASRW, the project steering group and other industry stakeholders for a substantial period of time. However, OC2 has been significantly changed and therefore requires some extra scrutiny which could be helpful and therefore provided by a Workgroup. That and an Ofgem decision would support the changes and will enable ongoing work on code alignment, simplification, and rationalisation.

Interactions

- | | | | |
|--|--|---|--------------------------------|
| <input type="checkbox"/> CUSC | <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 ³ | <input type="checkbox"/> Other
modifications | <input type="checkbox"/> Other |

[Explain how this modification interacts with other codes, industry documents, modifications or industry projects.]

Acronyms, key terms and reference material

Acronym / key term	Meaning
ASRW	Alignment, Simplification & Rationalisation Workstream
BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
ECR	Energy Code Reform
G&D	Glossary & Definitions
OC2	Operating Code No.2
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards

³ If your modification amends any of the clauses mapped out in Annex GR. B of the Governance Rules section of the Grid Code, it will change the Terms & Conditions relating to Balancing Service Providers. The modification will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195). All Grid Code modifications must be consulted on for 1 month in the Code Administrator Consultation phase, unless they are Urgent modifications which have no impact on EBR Article 18 T&Cs. N.B. This will also satisfy the requirements of the NCER process.

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T&Cs	Terms and Conditions
ESO	Electricity System Operator
ASR	Alignment, Simplification & Rationalisation
dWSTC	Digitalised Whole System Technical Code

Reference material**Annexes**

Annex	Information
Annex 1	Draft Legal Text – OC2 Redraft, Planning Code, Comparison Document
Annex 2	Improved and New Definitions
Annex 3	ASRW considerations