

## Minutes

<b>Meeting name</b>	GC0048: Joint GCRP/DCRP Workgroup on National Application of RfG
<b>Meeting number</b>	1
<b>Date of meeting</b>	28 January 2014
<b>Time</b>	10:00 – 15:00
<b>Location</b>	Holiday Inn, Olympus Avenue, Tachbrook Park, Warwick, CV34 6RJ

## Attendees

<b>Name</b>	<b>Initials</b>	<b>Company</b>
Rob Wilson	RW	National Grid (Chair)
Robyn Jenkins	RJ	National Grid (Technical Secretary)
Antony Johnson	AJ	National Grid
Philip Jenner	PJ	RWE
John Norbury	JN	RWE
Mick Chowns	MC	RWE
Peter Bolitho	PB	Waters Wye Associates
Alan Mason	AM	Senvion
John Morris	JM	EDF Energy
Alan Creighton	AC	Northern Powergrid
Chris Marsland	CM	(on behalf of) CHPA & AMPS
Guy Phillips	GP	EON
Joe Duddy	JD	RES
Alastair Frew	AF	Scottish Power
Campbell McDonald	CMD	SSE
Gareth Parker	GP	DONG
Clothilde Cantegreil	CC	Ofgem
Sarah Carter	SC	PPA Energy

## Apologies

Julian Wayne	JW	Ofgem
Steven Mockford	SM	UK Power Networks
Peter Thomas	PT	Nordex
Mustafa Kayikci	MKY	TNEI
Mick Barlow	MB	S&C Electric Europe
Mike Kay	MKA	Electricity North West

## 1 Introductions/Apologies for Absence

1. The Chair welcomed the Workgroup and apologies were noted.

## 2 RfG – the story so far and next steps

2. AJ gave a presentation explaining what has happened with RfG to date and the overall European Network Code Development process, highlighting that RfG is now in the comitology phase.
3. It was explained that in the latest RfG text, released by the Commission as an ‘informal draft’ to member states in mid-January, some further clarity has been added on the process through which elements of the code could apply retrospectively to existing generators. The onus is upon the TSO to provide clear evidence of a positive cost benefit analysis but by default, existing generators will stay with current requirements under GB law/codes and new generators will be subject to RfG requirements as a minimum with national requirements on top as appropriate. The Workgroup noted that retrospectivity is a serious stakeholder concern and needs to be monitored. The latest draft of RfG contains a recitals (“whereas”) section which has no legal basis but provides context and guidance and explains the roles and responsibilities. In addition, any retrospective application is subject to National Regulatory Approval. It was indicated that, where there is uncertainty in the text, these recitals should be used for developing guidance in GB.
4. A key element of RfG for GB stakeholders is in respect to the banding of generators; different levels are specified for different member states or groupings with GB bandings starting from 800W. This puts more requirements upon much smaller generators than at present, Currently the Grid Code applies largely from 10 to 50MW (depending on location) and significant but less onerous requirements apply to smaller generators via the Distribution Code and associated Engineering Recommendations. The RfG banding proposals also represents a significant change from the Small, Medium and Large categories with specificities for Scottish TO areas as currently defined in the GB frameworks.
5. The Workgroup discussed Generator banding, noting that the TSO may still seek to move the RfG thresholds down although not up. The Workgroup also discussed the need to be mindful of the Distribution Code, G83/2 and G59/3 banding. The Workgroup discussed the merits of mapping current generators to the new banding, and although requirements will not change for existing generators, mapping them provides a good comparison. It was highlighted that the RfG banding is intended to apply to each Power Generating Module e.g. a generating unit or Power Park Module, whereas in GB the requirements apply on the basis of Power Station Size – e.g. Large, Medium or Small. The Workgroup debated whether the connection voltage would have an implication with the change to the RfG 110kV threshold rather than the present Grid Code thresholds of 132kV or supergrid voltage. It was confirmed that this new voltage threshold would only apply to AC connected generators and that DC connected generators would be captured by the HVDC code. The only offshore assets captured by RfG requirements are some radial and interconnected AC offshore assets. JN noted that the potential treatment of extensions or refurbishment of generating units also remains a concern for existing generators. AJ suggested there may be something under Article 10 (6) (h) relating to modifications, but that remains an issue.
6. GP queried whether some of the commercial benefits of having between 30 and 100MW connected will be maintained (e.g. BELLA’s, BEGA’s and LEEMPS). RW noted that this is outside the remit of the Workgroup but agreed that National Grid would talk to colleagues developing the Forwards Capacity Allocation (FCA) code.
7. The Workgroup discussed the compliance processes of the RfG Code, debating whether the approach on compliance should be more relaxed as there should be sufficient will from the generator to wish to comply. CMD noted that the existing codes will stay live and will still apply so the Workgroup have to be mindful of this.

8. The possibility of reviewing retrospectivity every 3 years was seen as a risk from a generator prospective and it was considered that the existing Grid Code process is robust enough for reviewing these aspects. The limit on reopening of a specific issue to a 3 year review period was in fact designed in the code as a safeguard to provide some certainty to users and avoid continual reassessment.
9. The Workgroup discussed the legality of the RfG and the consequences of non-compliance. As the RfG will become statute law, it is not clear which laws non-compliance would be prosecuted under GB law or European law. RW indicated that when the code comes into force it becomes European law and, as such, does not need to be translated into UK law as it applies directly and already takes precedence over GB legislation where any conflict exists. RfG is part of the Third Package legislation and Ofgem has already modified licenses to state that licensees must comply so that non-compliance would be considered to be a license breach. JN noted that breach of licence can mean a fine of up to 10% of turnover, making breach of RfG potentially more serious for generators if incorporated in the GC and/or DC. Depending on the structure chosen for the Codes, it is possible that the Workgroup output will be put into the Grid and Distribution codes, so the normal governance processes would apply, but the likelihood is that an offender would be prosecuted under European law for non-compliance. The Workgroup discussed that DECC is responsible for making sure that the GB interpretation is compliant with European law and, in the first instance, fines for non-compliance would be levied against member states but that DECC would probably pass this on to the industry via breach of licence proceedings. AF noted that the Code specifies that the Authority is responsible for compliance. CC indicated that Ofgem's understanding was that the member state was responsible for compliance and implementation. AJ suggested this may need looking at outside of the meeting.
10. The Workgroup noted that article 7 had been deleted which formerly detailed that where national legislation was compatible with the requirements of the European codes it would still apply. This would also cover the introduction of any future national legislation to the same proviso. This article has been deleted in the latest Commission draft because the same point is directly covered in the 3<sup>rd</sup> package directive 714/2009.

### **3 Role of Workgroup and Workgroup Members**

11. RJ noted that National Grid will provide the meeting venue and make the arrangements, as well as provide a Technical Secretary and Workgroup chair.
12. RJ explained the roles and responsibilities of Workgroup members, highlighting that there will be occasions where they will be required to contribute material or complete actions. The Workgroup acknowledged that they were happy with their roles and responsibilities.
13. The Workgroup also agreed that summary notes and an action log were sufficient instead of full meeting minutes.

### **4 Terms of Reference**

14. The Workgroup discussed the content of the Terms of Reference which were noted at the November 2013 meeting of the GCRP as being subject to finalisation at the first Workgroup meeting.
15. There were specific comments relating to the Terms of Reference, and in particular the Workgroup suggested that:
  - It needs to be clearer that any consultations, approval etc will be using existing processes.
  - Ensure that it is clear what is meant by 'incorporate RfG' into the GB structure.
  - Make the Terms of Reference clear that the National Parameters will be set within whatever structure is chosen for GB.
16. The Workgroup was asked to feed in any other comments which will be incorporated and presented at the next GCRP and DCRP for approval.

### **5 Structural Options**

17. Options for application of RfG within GB were presented to the Workgroup. Two substantially different examples were discussed. In summary, it would be possible to either use the existing

codes (Grid Code, Distribution Code, supporting Engineering Recommendations G83 and G59) or to adopt a more unified or 'omnicode' solution in which the requirements for new users across all GB and European codes are established in a minimum number of new code vehicles. The Workgroup noted that in the relationships between the codes it needs to be clear that the Distribution Code is not cascaded from the Grid Code, and that it is the RfG obligations only that are potentially cascaded through the codes.

18. When discussing the pros and cons of the different options presented, the Workgroup discussed whether the timing of some of the European Network Codes interferes with the drafting of a cross-code / omnicode solution if this were to be taken forward, particularly if some are delayed. The Workgroup noted that it appears likely that RfG and DCC will be considered together by the European Parliament, and that while the Commission would theoretically like to add the HVDC code to this package this will not fit into the necessary timeframe.
19. The Workgroup suggested that, whatever structure is decided upon, the question of how the European Network Codes will be maintained also needs to be considered (NB Note that ENC maintenance is a matter for ENTSO-E, ACER and the EC. All ENC amendments will be revision of European law). RfG (and the other connection codes DCC & HVDC) are different to the other codes in that they are establishing the technical conditions for equipment connecting to the system. Therefore they are by default only applicable to 'new' equipment going forwards (notwithstanding the point above regarding retrospectivity) and so the requirements for existing users needs to be maintained. JD asserted that whatever this Workgroup proposes, existing users must be held harmless from the NC RfG. There may be more merit in moving to new GB code(s) for the other ENCs because they provide a more direct replacement for the existing framework. The Workgroup questioned what would happen for DCC and HVDC. RW noted that these need to be considered in the future but the initial focus must be on RfG.
20. The Workgroup discussed whether there is scope for unifying the Grid Code and Distribution Code as, at present, it is quite a complex process for Generators to establish what requirements are applicable to them. The Workgroup acknowledged that for this, or for variations based on placing some or all of the ENC requirements into an Engineering Recommendation or other supporting documents.
21. The Workgroup noted that many other member states are having the same discussions but it is not yet clear how other states intend to implement RfG.
22. RW presented the scoring of the structural options carried out by RW and MKA. It was noted though that any scoring is by its nature very subjective unless clear criteria are developed and there is unambiguous clarity on the various structural options themselves.. The Workgroup questioned whether the actual costs and difficulty of implementation have been accounted for, with respect to each option. The Workgroup noted that if Ofgem carries out an impact assessment, they assess both the cost of change then the ongoing cost resulting from implementation. The Workgroup discussed whether implementation into the existing Grid Code Connection Conditions is the best approach or, rather than trying to apply a top down approach of adding the RfG to the codes, we should instead look specifically at where RfG impacts the codes. In particular, by examining areas impacted in the Grid Code and Distribution Code to see if there is any structure we can develop which incorporates both. AJ highlighted that work has been done to map the clauses of RfG to the Grid and Distribution Codes but this needs to be updated to the latest draft. It was noted that, while the majority of RfG requirements do fall within the Grid Code Connection Conditions:
  - (i) The Grid Code is not the only GB code which is affected by RfG
  - (ii) The Connection Conditions are not the only part of the Grid Code affected by RfG
23. The Workgroup discussed having a single document for the RfG Connection Conditions, which sits across the Grid and Distribution Codes and noted that this has some advantages.. The Workgroup acknowledged that under this approach they would need to consider revised governance arrangements. The Workgroup suggested that if all the requirements are in one document it would be structured in the same way as RfG with different sections for different types of generators.

24. Connection contracts were discussed in the context that it would be better to avoid any changes to contracts given the volumes involved. It was noted that the connection contract for a generator would be with the operator of the network to which they were connected.
25. CMD noted that he would welcome the change from a 10MW+ station in the SHET area no longer being classed as large and being treated the same as any other Type C Generator.
26. The Workgroup discussed carrying out the scoring individually but there were concerns on whether they have enough information on what the options are, and that without common criteria or well defined options there is a risk that there would be many different interpretations of the requirements and the scoring. For the Workgroup to undertake the scoring it was determined that there needs to be a lot more detail added to the descriptions as it is important to ensure everyone is scoring against the same criteria.
27. RW suggested that if implementation and ongoing management costs were added to the matrix and some more detailed explanations then it may be useful for Workgroup members to fill it in (NB This action superseded by release of ECCAF's opinion from their meeting of 30 Jan 2014).
28. The Workgroup questioned whether they should be taking account of ECCAF's view rather than the other way round. Ideally this would be the case in RW's opinion, but is down to scheduling of meetings. Both views are however important.
29. The Workgroup discussed whether the Grid Code requirements will extend down to 110kV, and they suggested that it would cover anything transmission connected. Additionally, would the type D requirements for distribution connection be the same as type D transmission connection. The Workgroup acknowledged that under the ENC, the requirements will be identical but there may be network specificities. In addition some of the parameters are to be developed by the TSO and some are the responsibility of the Relevant Network Operator (ie the DNO).
30. The Workgroup concluded that their message for ECCAF is that of the two high level options discussed they would prefer to use the existing code structures rather than the unified or 'omnicode' solution. The Workgroup were of the opinion that the 'omnicode' solution would need licence changes, could be difficult to achieve in the time available, and would be more costly with unintended potential consequences.
31. The Workgroup suggested that, irrespective of structure, the current and future codes would be more user friendly if they were supplemented by an interactive tool such that selecting the size and type of user in a live package could then return all of the requirements for that user.
32. RW agreed to write and circulate a statement summarising the Workgroup position for input to ECCAF.

## **6 Meeting Schedule**

33. The Workgroup determined that monthly meetings are probably necessary. RW added that in the future the Workgroup may also have to split into smaller sub-groups.
34. RJ agreed to investigate a second meeting on 3 March, as well as to schedule meetings for the rest of the year.

## **7 Agree Actions**

35. The Workgroup agreed the actions
36. RJ noted that these would be circulated in an action log.

## **8 AOB**

37. None