

Grid Code Administrator Consultation Response Proforma

GC0133 – ‘Timely informing of the GB NETS System State condition’

Industry parties are invited to respond to this Code Administrator Consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5:00pm** on **2 April 2020** to grid.code@nationalgrideso.com. Please note that any responses received after the deadline or sent to a different email address may not be included within the Draft Final Modification Report to the Grid Code Review Panel.

These responses will be included within the Final Modification Report which is submitted to the Authority.

Respondent:	<i>Garth Graham (garth.graham@sse.com)</i>
Company Name:	<i>SSE Generation</i>
Please express your views regarding the Code Administrator Consultation, including rationale. (Please include any issues, suggestions or queries)	<ul style="list-style-type: none">(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

Code Administrator Consultation questions

Q	Question	Response
1	Do you believe that GC0133 better facilitates the Applicable Grid Code objectives? Please include your reasoning.	<p>Yes. As the Proposer of GC0133 we believe that GC0133 does better facilitate Applicable Objectives (a), (c) and (d); whilst being neutral in terms of (b) and (e); for the reasons we have detailed in the proposal itself.</p> <p>For the sake of brevity, we have refrained from repeating the reasons here – please refer to pages 13-14 of the Code Administrator Consultation document for further details.</p>
2	Do you support the proposed implementation approach?	<p>We support the proposed implementation approach.</p> <p>We are mindful of (and we concur with) the NGESO view that:</p> <p>“...this [GC0133] modification as set out would be fairly easy to achieve as the system state is currently monitored and updated by the ESO through the ENTSO-E Awareness System which is a platform for information sharing with other TSOs used within the ESO Control Room.”</p> <p>In our view, given that the two core tasks that GC0133 would introduce (continually determining the state of the GB system and updating the BMRS accordingly) are both tasks that are currently undertaken today by NGESO, there is no need for either a transition period or a prolonged implementation period.</p>

3	<p>Do you have any other comments in relation to GC0133?</p>	<p>We are mindful of the reports commissioned by both the Authority and the Secretary of State into the 9th August 2019 event (which were published at the start of January 2020) which identified the need for improvements in real-time information exchange between NGESO and the wider industry; such as generators, DNOs and other stakeholders.</p> <p>GC0133 demonstrably helps to achieve the recommendations / conclusions / actions; regarding improving wider industry real time communications from NGESO to the wider industry; that have been identified in those two reports (as well as the two reports produced by NGESO itself into that event).</p> <p>For example, Action 2 in the GEMA report¹ set out that:</p> <p><u>“5.8. Action (2): The ESO should consider and come forward with recommendations to improve the transparency of real-time operational requirements</u> <i>[GC0133 improves transparency of real-time operational requirements for the wider industry – it is disappointing that NGESO does not seem to embrace the clear benefits that the principle (and application) of transparency achieve; which may reflect the fact that to NGESO, who already has full transparency itself of the data, they see little or no benefit in others seeing it.]</i> and its holding of reserve, response and system inertia, and review its procedures for holding balancing service providers to account for delivery of balancing services.</p> <p><u>5.8.1. We expect the ESO will provide more visibility to the industry on how secure the system is</u> <i>[GC0133 provides more visibility, real-time to the industry of how secure the system is as any change(s) to the state of the system is made available to the industry.]</i> and which services are being used to provide that security. Additionally, given the issues we have identified with the ESO’s management of balancing service providers’ performance and the significant expenditure on these services, we expect it to strengthen their processes for holding providers to account. <u>We also expect it to report against key performance</u></p>
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¹ https://www.ofgem.gov.uk/system/files/docs/2020/01/9_august_2019_power_outage_report.pdf

indicators to demonstrate the effectiveness of these process improvements. [GC0133 will help with this as by knowing continuously the state of system this will allow the wider industry (and Ofgem?) to better hold NGESO to account in terms of its key performance.] The ESO should report its progress on this action to Ofgem on a quarterly basis” [emphasis added]

We note NGESO’s concern, in respect of GC0133, in terms of the potential for possible media misreporting of any change in the system status:

“The ESO expressed concern over the potential for media misreporting of the system state or incorrect conclusions to be drawn from this”

Whilst this may or may not be the case, as recent events have shown such a risk (of media misreporting) exists irrespective of any wider industry reporting of the system state.

It should be possible to easily (and at little cost) take the simple step of preparing messages in advance around the degradation and improvement in the system state that NGESO can deploy in response to any media requests concerning the state of the GB system reported on BMRS.

We note NGESO’s view that the GC0133 change has “little purpose other than the principle of transparency.”

We would remind NGESO of the numerous times (before and after GC0133 was first raised) that it itself has publicly ascribed the benefits of ‘the principle of transparency’ when it has been undertaking (or proposing to undertake) various tasks, such as in the first year’s (NG)ESO Performance Panel Report²

“Legal Separation The ESO became a legally separate entity within the National Grid Group on 1st April 2019. Separating the ESO business from National Grid Electricity Transmission provides transparency in our decision-making and gives confidence that everything we do will promote competition and is ultimately for the benefit of consumers” [emphasis added]

² <https://www.nationalgrideso.com/document/153526/download>

		<p>“We want our stakeholders to see that we are impartial and so provide transparency on our governance and decision-making.”</p> <p>These comments by NGESO in the Performance Panel Report from September 2019 are reflected in the goals that it set itself in the first (NG)ESO’s Forward Plan for 2019-2021, published on 28th March 2019³, when, for example, it described the ESO’s ‘Role1’ (which concerns ‘Managing system balance and operability’) as being to:</p> <p>“Operate the system safely and securely, whilst driving overall efficiency and transparency in balancing strategies across time horizons”</p> <p>This in one of some 50 references in total (within the March 2019 (NG)ESO Forward Plan) to transparency by NGESO which cast ‘the principle of transparency’ in a very positive, enhancing and highly beneficial way to stakeholders.</p> <p>It is therefore somewhat surprising to read a year later, in March 2020, within the GC0133 Code Administrator Consultation that NGESO now seems to see so little benefit from ‘the principle of transparency’.</p> <p>We look forward to NGESO explaining this change of heart on their part; on the ‘the principle of transparency’; at the next (NG)ESO Performance Panel review⁴ in the late spring/early summer of 2020.</p> <p>Notwithstanding the above, we note the NGESO statement (within the GC0133 Code Administrator Consultation) about:</p> <p>“..the lack of definition in terms of what market participants would do with the system state information or what positive actions they could take from it”.</p> <p>If this is a valid criticism (we think it is not) then it applies equally when NGESO uses ‘the principle of transparency’ (such as in the numerous examples concerning the (NG)ESO Performance Panel / Forward Plan etc., we have note above)</p>
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Q	Question	Response
		<p>and fails itself to provide a 'definition in terms of what market participants would do with the information or what positive actions they could take from it'.</p> <p>Furthermore, given the efforts that NGESO has taken and purports to take going forward (as witnessed by the Performance Panel submissions by NGESO) with stakeholders to share, fully explain and deal with any resulting dialogue about the system state we are perplexed as to why now, with GC0133, NGESO takes an opposite view.</p> <p>Finally, in respect of NGESO's view that:</p> <p>"...if the Commission had identified any benefit in the wider sharing of this information then it would have required this to be incorporated."</p> <p>We note that the views of the Commission as to the benefits of 'the principle of transparency' are long established and clear within the SOGL itself; as epitomised by the need to ensure and enhance the transparency and reliability of information on transmission system operation (as required by Article 4(1)(g) and 4(2)(b) of SOGL).</p> <p>GC0133 ensures and enhances the transparency and reliability of information on GB transmission system operation, of that there is no doubt.</p>

³ <https://www.nationalgrideso.com/document/140736/download>

⁴ Of the performance year 2019/20.