

# Code Administrator Meeting Summary

## GC0133: Timely informing of the GB NETS System State condition

Date: 09 March 2021

### Contact Details

Chair: Nisar Ahmed, National Grid ESO [Nisar.Ahmed@nationalgrideso.com](mailto:Nisar.Ahmed@nationalgrideso.com) / 0777 3043068  
Proposer: Garth Graham, SSE Generation Ltd [garth.graham@sse.com](mailto:garth.graham@sse.com) / 01738456000

### Key areas of discussion

The Workgroup discussions are summarised according to agenda items:

- The Chair opened the discussions by inviting introductions from all the workgroup members.
- The Chair gave the workgroup a high level background to the modification, stating that this modification (GC0133) will require the Transmission System Operator (TSO) for GB National Grid Electricity System Operator (NGESO) to inform, in a timely manner, the System State condition of the GB National Electricity Transmission System (NETS) to market participants.
- GC0133 was originally raised on 14 October 2019 following the route of Standard Governance. The modification went straight to Code Administrator Consultation and was issued to industry on 12 March 2020 for 15 working days. The Code Administrator Consultation closed on 2 April 2020 with the Draft Final Modification Report presented to Panel on 14 April 2020. A Panel decision (recommendation vote) was undertaken on 22 April 2020, with the Final Modification Report issued to the Authority on 5 May 2020.
- Ofgem reviewed all the information and provided a Decision letter resulting in a Send Back.
- Following the letter from Ofgem received by ESO dated 4 September 2020, the Panel was directed to revise the Final Modification Report (FMR) so that further analysis in respect of objectives (a) and (c) was included, setting out:
  - The benefits of the modification to market participants and stakeholders; and
  - The challenges to the ESO of providing this information, including the challenges of publishing the reasons for the changes of system state condition.
- The Chair advised the workgroup that initially GC0133 did not have a workgroup and proceeded straight to Code Administrator Consultation. The Panel determined that the best way to address Ofgem's send back would be to convene an industry workgroup. The Terms of Reference for this workgroup therefore include the two specific points from the Ofgem send back letter which will form a crucial part of the discussions by the workgroup.
- The Chair outlined the timeline for GC0133 followed by a discussion by the workgroup. RW clarified that a workgroup consultation was not mandatory as part of a normal development process but that another Code Administrator Consultation probably would be necessary.
- The Proposer addressed the workgroup members by referring to his email circulated to the workgroup members on 9 March 2021.

- The Proposer advised the workgroup that:
  - Firstly that the beneficial impact of this change – transparency of information on the operation of the transmission system (including, in this case, the System State) leads to deeper understanding and greater clarity of the operation of the transmission system, leading to better decision making, leading to a more efficient electricity market, leading to enhanced competition within the electricity market, leading to lower costs to consumers. The Proposer referred to many examples available in the current ESO Forward Plan which was published in 2020 and can be found [here](#).
  - The Proposer went on to say the publication of the System State, will provide stakeholders with a deeper understanding and hence greater clarity about the drivers of the ESO's operational decision making.
  - Secondly the benefit of GC0133, for the ESO directly, concerns avoiding the serious risk of materially breaching “insider trading” and market abuse legal requirements that are placed on those market participants, i.e. ESO, who have access to “inside information”, such as the system state.
  - Thirdly the Proposer said that it should also be noted that Recital (19) of Regulation 714/20092 set out that: “Equal access to information on the physical status and efficiency of the system is necessary to enable all market participants to assess the overall demand and supply situation and identify the reasons for movements in the wholesale price. This includes more precise information on electricity generation, supply and demand including forecasts, network and interconnection capacity, flows and maintenance, balancing and reserve capacity”.
- The Proposer expressed to the workgroup that although a cost-benefit analysis is not required, it must be noted, the cost of implementing this change is relatively small - less than £10,000 as existing systems are being used. Publishing this data would allow stakeholders to make more informed decisions leading to better functioning markets leading to lower bills for the consumer.
- The Proposer stated transparency was essential to achieve well-functioning, efficient, liquid and competitive wholesale markets. The Proposer further stated that transparency was the foundation for creating a level playing field thus increasing competition between different market players.
- RW advised the workgroup that the key concerns expressed at the Grid Code Panel were that several Panel members were uneasy about the ‘alert’ status. The system states were a requirement of the European System Operation Guideline and as drafted were intended to convey information between TSOs. In GB the ‘alert’ status had been experienced since implementation to only happen when there was loss of availability of one of the interconnectors and therefore the ESO needed to share that with neighbouring Transmission System Operators (TSOs). Some of the Grid Code Panel were uncomfortable about this, because they felt that making this information public could require sharing of commercially sensitive information. The Proposer and another workgroup member noted that such information was published when, for example, it came to power stations and were unsure why interconnectors should have special treatment.
- The Proposer wondered if the information was actually commercially confidential or whether it amounted to “inside information”. The holding back of “inside information” which has not been made public and relates directly or indirectly to one or more wholesale energy products would be in breach of wider legal obligations. As a market participant the ESO must be careful about what it does with that “inside information” in terms of how the ESO performs its tasks.
- RW advised the workgroup that the Grid Code Panel was split 5/5 whether to support recommending GC0133 to Ofgem. The feedback received from the Panel was a key point which needed addressing by the workgroup. It was felt that if this point was addressed then the majority of the Send Back would be addressed too. This will need to be taken back to Panel expressing what if anything has changed, along with additional evidence to address the fears of sharing commercially sensitive information and the benefits of sharing beyond the principle of transparency which had been expressed clearly in the previous submission to Ofgem.
- RW questioned whether the identity of the specific interconnector could be removed, and whether this would resolve the sensitivity while not affecting the potential benefit of sharing the information.
- RW advised the workgroup that when the legal text was being developed it was agreed that instead of it being called an “alert” it would be called “awareness” when it was published on the BMRS to try to manage any media

messaging. The legal text required as a minimum only that the system state be published along with the timing of any change. There was a clear need for the ESO to set out why which was left as optional and

- there could be some reasons where from the ESO prospective there could be a security issue where the ESO did not want to share the exact location or equipment details, so there needed to be some flexibility.
- RW asked the workgroup whether a solution could be to add a caveat to the legal text saying that only information already in the public domain would be shared? For example, where this already happened through REMIT.
- A workgroup member responded saying that if the stakeholders had the information ESO had on the system, then their response would be economic and efficient. However, if the information is taken from rumours which may or may not be correct then it could result in the stakeholders pulling in the opposite direction the ESO needs everyone to pull.
- RW questioned whether knowing a loss of availability of interconnectors would be useful to stakeholders? It would flag that the ESO would be likely to need to take imminent balancing actions so would stakeholders benefit from knowing the reason for these actions?
- The Proposer responded that he would be willing to consider some wording in the legal text, allowing the ESO flexibility to put in information if so required, address commercial confidentiality whilst limiting it to information that was not ‘inside information’, which should be in the public domain.
- RW suggested that another solution could be to raise an alternative in which the ‘alert’ status was taken out of the modification, since this was the only state that was problematic, this being another way to address the Ofgem send back if no further evidence was forthcoming and could at least give Ofgem a range of options on which they could make a decision rather than risking having to go round the loop again.
- The Proposer did not agree with this point and questioned whether this was allowable under the Governance Rules and/or terms of the send back to go beyond what the Authority had directed be done.
- The Proposer also noted that this approach of taking out ‘alert’ state would mean most system state changes in GB would not then be notified to market participants, which would have the effect of largely nullifying GC0133.
- The Chair expressed to the workgroup that the Terms of Reference (ToR) agreed at the Panel meeting on the Send Back needed to be reviewed. No comments were received from the workgroup.
- The Chair concluded the meeting advising the workgroup that the next meeting is likely to be the last week of March 2021 or the first week of April 2021, invitations will follow once a date had been identified.

**• Actions Log**

Number	Action	Owner	Status
1	To check the Governance Rules and report back to the workgroup at the next meeting on the way forward on this modification.	Nisar Ahmed	Open
2	To ask the interconnectors about what availability information they already share on REMIT.	Rob Wilson	Open
3	Check with Ofgem if it would be viable to raise an alternative in this case.	Garth Graham	Closed

**Participants**

Attendees	Company	Position
Nisar Ahmed	Code Administrator National Grid ESO	Chair
Rashpal Gata-Aura	Code Administrator National Grid ESO	Technical Secretary

Garth Graham	SSE Generation Ltd	Proposer & Workgroup Member
John Costa	EDF Energy	Workgroup Member
Lisa Waters	Waters Wye Associates	Workgroup Member
Paul Crolla	Scottish Power Renewables	Workgroup Member
Paul Youngman	Drax	Workgroup Member
Rob Wilson	Code Administrator National Grid ESO	Workgroup Member

For further information, please contact the Code Administrator.