nationalgrid**ESO**

Digitalised Whole System Technical Code (WSTC) Meeting Minutes

Consultation 1 Stakeholder Engagement Session 4

Date:	02/11/2021	**Location:**	MS Teams
Start:	14:00	**End:**	15:00

Participants

Attendee	Attend/Regrets	Attendee	Attend/Regrets
Gareth Evans (GE) - ICOSS	Attend	Laetitia Wamala (LW) - NGESO	Attend
Vicky Allen (VA) - NGESO	Attend	Frank Kasibante (FK) - NGESO	Attend

Minutes Recipients

Industry - Published on the WSTC website

Agenda

1. Introductions
2. Presentation of Slides & Discussion
3. Closing Remarks

Discussion

The discussions held during the meeting are summarised below:

1.	**Introductions**
	Introductions as recorded above.

2.	**Presentation of Slides & Discussion**
	During the presentation of the WSTC slides (Oct/Nov), the discussions summarised below were held. The full slide pack can be viewed here.

2.1.	**Introduction (Section 2)**
	GE: There is difficulty in identifying the difference between the Grid Code (GC) and the Distribution Code (DC). However, I appreciate why we have different codes for transmission and distribution.
	The main challenge with the codes is identifying the relevant obligations. However, there are no specific areas within the codes that have been pointed out to me as requiring change.
	Even if the codes were simplified, users would still need to understand their technical requirements and obligations.

LW: Thank you very much for the feedback. It echoes what we have had from industry about the codes' complexity and different structures. Also, that simplifying of codes should not inadvertently make them lose their robustness.

2.2. Potential Solutions (Section 3.1 Whole System Consolidation or Alignment)

GE: If there were no resource (time, money and human resource) constraints, I would want a single code as it would simplify my job. It would mean that I look in one place and would not have to track 2 sets of code modification activities and their associated meetings. I think it would be extremely valuable and helpful. However, the reality is that attaining a single code would require significant time, money and effort. It would probably require writing it from scratch in order for it to be meaningful. There needs to be a balance between the time spent and the value it will provide.

Aligning the technical codes on key issues wouldn't solve my challenge of having to track 2 different code modification processes. I would still have to keep flipping between the two codes to ensure that I'm always consistent which carries the risk of missing obligations.

The overarching option creates an additional code and thus a greater challenge of identifying relevant obligations.

I'm glad that you've not included the option to 'write a summary that explains parts of the code'. That would be of concern as it carries a risk of users only reading the summarised version and not establishing all their obligations as in the full version of the code.

VA: That's great feedback, thank you. We have had a lot of similar feedback regarding the overarching option. Thus, the choice is between developing a single code and aligning on key issues.

LW: Success for the project team is 'delivering a product that's valuable to industry'. Value for users is what the consultation is seeking to understand.

2.3. Potential Solutions (3.2 Digitalisation)

GE: *Digitalisation*:

I really like PDFs of a set of written rules that are printable. They are not subject to interpretation, or any form of interrogation or process which may go wrong.

The best option is the self-service with cross-code signposting as it is the best way of improving understanding.

I have concerns with a user being able to tailor what they think they should see based on Artificial Intelligence (AI) and using this to determine how they operate in the market. The big risk is a drift away from a common baseline of understanding of what the rules are because we decided to use AI. I don't think it's going to improve code management.

All AI processes are interpretation; you give it a set of rules and it operates to it. And although it may refine how it does it because of the way the algorithms operate, you're heavily relying on it always being a 100% accurate.

Between legally binding and Guidance only, I would opt for 'Guidance Only'. This is to avoid legal liabilities based on AI's interpretation of the rules in comparison with the PDF version. This is something that should be avoided.

Members have not communicated that 'digitalisation will solve all their problems'. I don't know what this great drive towards digitalisation is. ICOSS members are neither yearning for digitalisation nor an AI driven digitalization process.

LW: Out of interest, have you had a chance to discuss the consultation with your members?

GE: Yes. At a high level.

KS: Clearly, ongoing engagement with industry is very important. Industry needs assurance that whatever approach we end up taking, digitalisation will work in line with industry's expectations and that we have covered off all their concerns.

GE: We've had conversations about this in other areas as well, like Retail Energy Code (REC). We're not 100% impressed with how REC has progressed.

This wave of digitalisation doesn't feel like it's necessarily going to solve the initial problem, which is trying to establish what the relevant obligations are. If anything, it's going to make it worse.

However, anything you can do to reduce the amount of documents and processes we have to follow is great. Anything you do that makes the processes and documents less clear is something we'd be a bit more concerned about.

KS: That's really useful. I think it's important to say that part of the consultation process is also making sure that we're taking on all of the feedback and lessons learned by the REC's digitalisation. The intention is to ensure that we incorporate these, it whatever the digitalisation outcome is. Thank you very much.

| 2.4. | **Potential Solutions (3.4 Work that can progress independently of the ECR outcome)** |

GE: When does ECR propose to report back?

VA: We don't know.

GE: I think any of those options can be progressed. Though I'm not sure how digitalising the DC and GC separately will help.

Aligning some of the standalone processes, for example the SQSS, might help simplify the governance process. However, I thought maybe ECR would be delivering this relatively soon. I would have thought the end of this year, or early next year, we would see at least the direction of travel.

Given that it is November, and there is an ongoing energy market crisis, I do not think the timing is right to start anything now.

Progressing with a single technical code option, has the potential of effort being wasted. However, an option that reduces the number of codes does not have the same risk. Also, starting some work now gives the flexibility with the path taken. I'm not expecting a really draconian kind of response on this.

We wouldn't have a problem if you wanted to start doing some of these now, although digitalization of 2 codes that will later get consolidated feels like a bit of wasted effort.

| 2.5. | **Potential Solutions (3.5 Delivery of Solutions)** |

GE: Do we feel a compelling need to start this immediately? We've had these codes around for a very long time. I think we'd all be happy to see a bit of improvement in how they're managed and written. What's the impetus that's making us go for Q4 2021 rather than waiting until maybe Q1 2022 or Q2 2022 to start this work?

VA: It is two-fold. Firstly, we don't know the timing of the Energy Codes Reform's (ECR) outcome.

Secondly, when National Grid ESO was putting together its business plan, stakeholders expressed interest in the consolidation of the DC and GC. Thus, NGESO committed in their business plan to engage with stakeholders to agree way forward and Ofgem have approved our business plan. Should we be pressing ahead?

GE: We are always overloaded with projects to do. Currently, we're scheduling delivery time for projects running until 2025.

No one's going to have a problem with a proposal to wait for six months. Although I've not had the conversation about timing, it's safe to say that this is not seen as a pressing priority for suppliers. Therefore, postponing until the ECR outcome we would be our selected option.

Our preferred options are:
- **Whole System alignment:** Doing detailed recommendations for alignment delivered later as part of ECR implementation.
- **Code Consolidation:** Postpone till ECR outcome
- **Digitalisation:** Wait for BEIS/Ofgem ECR decision on consolidation. I don't think the ECR will take another two years to come forward.

LW: It would be good to see in your response how long you think we should wait as we are keen to make our customers happy.

GE: The resource constraints would be quite significant at the moment. We're having all day meetings on how we deal with gas shippers leaving the market and creating a gap in the balancing system which is our current priority. Realistically, even Ofgem's having to delay projects. We're aware of at least one big industry program they've had to stop in order to redeploy staff to deal with supplier losses.

| 2.6. | **Key Benefits (Section 4)** |

GE: I think these are pretty good.

Connection Journey: I don't know a huge amount about the connection journey as we hardly look at that.

Increase market participation across the whole system: Anything that makes it easier to understand the codes and code changes is good.

User friendly technical codes: There is only a certain extent to which you can make something that's technical user friendly.

Encourage innovation: I'm not hugely close to this. We're established suppliers, so obviously when people innovate, we're not disruptors to the market.

Streamline implementation of code: Yes, definitely. One thing I would say, and this is very much a selfish plea for my members, which is a perennial concern, is reducing the amount of resource spent monitoring and tracking change. I guess it makes it easier for me to understand what a GC change is when it turns up on my desk.

2.7.	**Project Governance (Section 5.1 Decision Making)**

GE: Are we going to be formally invited to the Steering Group or is this it? Does this form an invitation to sit on the steering group? And what's the expected composition of it?

FK: The expected composition of the steering group will be having an independent chair, a technical secretary, and membership from across industry i.e., DNOs, IDNOs, Ofgem, BEIS, the code parties, wider industry, and transmission owners.

We would be very happy if you could commit to taking part in the Steering Group now, or through your consultation response. The representative could be the trade association or any of your members.

LW: Previous stakeholder feedback has indicated that suppliers should be given a seat on the Steering Group. Once consultation responses are received, we will review them to ensure that there's representation from all categories across industry.

GE: Normally ICOSS and Energy UK get seats and we're happy with that.

I don't see a particular need for multiple supplier representatives on that group. I will discuss this at the meeting on 11th November 2021 to establish if we want to commit. Obviously, there's a cost implication for anyone we send, but considering what you're doing, I suspect we will look to do it. However, I cannot formal accept immediately.

FK: Very much appreciated.

2.8.	**Project Governance (Section 5.2 Proposed Terms of Reference – Steering Group)**

No comment

2.9.	**Project Governance (Section 5.3 Stakeholder Engagement)**

GE: Rely on email. It's the best way.

2.10.	**Project Governance (Section 5.4 Schedule)**

No questions

3.	**Closing Remarks**

LW: Just a final call to express our gratitude for your attendance of this webinar.