

Response to Digitalised Whole System Technical Code Consultation 1

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Q1. What challenges do you have with using the technical codes?

As a Transmission Owner and as a Distribution Network Operator, SPEN has significant experience in the operation and understanding of the various technical codes and therefore face limited challenges in using the codes. We do acknowledge, however, that this is not always the case with users or stakeholders, particularly those who are new to the market and therefore have limited knowledge or experience of using codes. We are also actively involved in the code governance and management of the various technical codes within the scope of this project.

Q2. Where there are challenges, please provide examples of areas where you would like to see change.

We believe that in order for benefits to be realised that the project needs to identify the deficiencies that it is trying to address and how the specific solutions being proposed address these deficiencies. For instance, it is still not clear how the proposed solutions will address the lengthy and overly complex issue given that the codes are aimed at different categories of users (distribution connected vs transmission connected) and cover all connection voltage levels (low voltage up to 400kV and HVDC connections). The Grid Code alone stands in excess of 1000 pages and by adding the SQSS as well as the Distribution and associated Engineering Recommendations will at least double the length of any new 'whole system code'. This would seem contrary to the process of user friendly codes and efficient resource for a connection journey.

Q3. Are there further advantages and disadvantages of the potential solutions above?

Without a clear view of what the project is trying to achieve, it is perhaps best if a staged approach (if possible) is taken so that learning adopted in the initial phases can then be applied to future stages which may make the overall process less complex and more achievable.

Q4. Which of the issues identified in section 2, (or by yourself in answer to Q1) would be addressed by each of the solution options?

Whilst we agree that parts of the code may be complex it must be remembered that these codes set out the technical requirements for the safe and reliable operation of the electricity networks and therefore care is required to ensure that in whichever solution option is progressed that the correct level of technical requirements (and to the right level of detail) are kept within the code structure to avoid introducing ambiguity or further confusion not only for users connected (or wishing to connect) to the network but also for the network operators who will require to apply these on a consistent basis. This is particularly true for those solutions which are looking at consolidation, rationalisation or simplification of the current codes.

We also agree that the codes have been in existence for a significant period of time and have evolved over this time as new technologies have been introduced and the electricity industry has developed and therefore there are likely to be areas within the codes which are no longer relevant or are redundant and would benefit from being removed.

Q5. Are there additional potential solutions for whole system alignment which could deliver value?

The options suggested are comprehensive and encompasses the wide variety of options available, however, it may be that other options or solutions are identified once there is clarity on the scope of the project and as the project progresses.

Q6. Are there additional potential solutions for digitalisation which could deliver value?

Additional solutions may become more evident once the project commences.

Q7. Which of the potential solution(s) for digitalisation do you see as providing the most benefit?

It would seem logical that the solution driven by artificial Intelligence would deliver the most benefit to users as this would provide the most simple interface arrangement and would require the least code knowledge to operate. However, this would have to be assessed against the complexity and cost to delivering such a solution as well as the ongoing maintenance and upkeep of the 'source' documentation as the code is amended and further evolves to meet the needs of a (rapidly) changing industry landscape. It may transpire that there are trade offs which may make another solution more preferable in the round.

Q8. What risks and/or opportunities do you see in digitalising codes in parallel to work on code alignment, potential consolidation, and the Energy Codes Reform programme? Please also share your views on how best to mitigate these risks.

There is a need to ensure that any solution identified provides for interoperability across platforms. With the potential for changes to the Code Governance structure it will be important to ensure that the solution developed is suitably flexible so that it can be transferred to a new Code Manager upon completion but digitalisation of the code is likely to be required going forward so this element could be considered as a 'no regrets' activity in the overall context of reform.

Q9. Do you think the digitalised codes should be legally binding or for guidance only? Why?

We found this question a little confusing as the consultation talks about a singular digitalised code, yet the question relates to codes (plural) and this can lead to differences in how you would interpret the presented advantages and disadvantages. In order for there to be a single code licence changes will be required and an 'owner' of the WSTC identified who would take responsibility for ensuring that the published digitalised version of the WSTC was kept up to date and that any issues with the functionality were resolved.

In the absence of these changes, the current governance and licence arrangements will still apply and will require DNOs to maintain and review a Distribution Code and for the ESO to maintain and review a Grid Code. Therefore, in the short term it will be necessary to maintain the existing code governance arrangements (along with the current hard copies of the codes) to ensure that Licensees can discharge their legal and licence obligations. It therefore may be better for the digitised codes to be treated as guidance only until the outcome of the ECR are implemented as it is likely that the completion of this project will straddle the introduction of the new code governance arrangements and the introduction of a new Code manager for the technical codes.

Our preference is to maintain a hard copy of the code as this will act as a backstop should there be any issues identified with a digitised version resulting from coding or software errors which result in users not being provided with the full set of appropriate, applicable technical requirements.

Q10. Do you see value in progressing these work packages independently of the ECR and do you think they should be progressed?

Yes there is value in progressing some of the work packages ahead of the ECR, however, for others (such as the simplification and rationalisation of the Distribution and Grid Codes) it would seem more sensible to wait on the outcomes of the ECR. In this way it can be ensured that the new Code Manager (potentially covering all Technical Codes) would be in a position to organise and manage the revised code governance arrangements and the merger of the codes in a coherent and consistent manner.

The benefits of including the SQSS within the Grid Code are not clear as it is not evident what issue this is trying to solve. It should also be noted that ER P2/7 is already included within the Distribution Code as an Annex 1 document.

Q11. Are there other opportunities that could be considered?

The consideration of further opportunities may dependent upon the proposed timescales arising from the outcomes of the ECR as it will be important to ensure that the outcomes of this project and the ECR are aligned timewise.

Q12. Stakeholders have articulated that there is strong interdependence between options in whole system code consolidation or alignment (Section 3.1), digitalisation (Section 3.2) and the delivery of solutions (Section 3.5). Do you have a preferred combination of these solutions that you see as delivering the best value considering the issues implementing the solutions? Please provide a rationale for your response.

In order to determine a preferred combination of solutions it is important to understand what the issues to be addressed are, the materiality of these issues and the costs involved with developing the various solutions. Only once there is clarity on each of these can an optimal (and efficient) combination be chosen to deliver best value to consumers.

Q13. Are there other aspects of the project delivery where you see risks and opportunities to mitigate these?

There is a risk in relation to the availability of industry resources with sufficient knowledge and expertise to participate and complete the work . We are aware of previous issues in trying to secure representation on Code working groups and this coupled with ongoing modifications and the potential for ECR proposals at the same time may give rise to significant resourcing issues within the wider industry. As changes are not being made to the Code governance arrangements any changes to the codes proposed by this project (whether through simplification or consolidation) will still require to be progressed through the appropriate modification and consultation routes thereby taking up further industry resource and time, whilst recognising that further work (from a Grid Code perspective) may be needed arising from the Offshore Transmission Network Review in similar time frames.

Q14. Do you agree with the key benefits outlined above and can you see other benefits resulting from this project?

As previously indicated, we believe that there needs to be a clear link to the benefits arising from this project and the issues (or perceived issues) that it is trying to resolve.

Solutions to improve the access and understanding of the code for users is always welcome and should be encouraged. However care does need to be taken to ensure that in creating a single 'super' code that the existing tailored information for those connecting to either the transmission or distribution networks is not lost and does not become more complex or difficult to understand in the process as this could have the opposite effect.

Q15. Do you think that the proposed governance structure will enable delivery of the project? Would you change any aspects? If so, why?

The proposed governance structure should allow delivery of the project – though we note that the 'exact' scope of project is yet to be defined. There is potential for a number of the solutions to be progressed via the existing code governance arrangements should a single WSTC not be pursued.

The project should also be considered within the context of the ECR as it is likely that any changes introduced by the ECR will overlap with the delivery of the WSTC project and could end up competing for the same or similar industry resources.

Q16. Which elements of the project would you, or your organisation, like to be involved in? If so, please state what capacity, and provide a short description of the perspective and value that you would bring to the project.

As previously noted, SPEN are both a Transmission Owner and a Distribution Network Operator and are impacted by changes to the code governance arrangements and the content of documents within the scope of this project. We would therefore wish to be involved the project as they may have an impact our licence and legal obligations in respect of the SQSS, Distribution and Grid Codes.

Q17. What principles should apply when forming membership and ways of working for the various project groups?

The working groups should adopt best industry practice and members should be there to ensure that best outcome for the wider industry and GB consumers is achieved.

It will also be important to ensure that there is appropriate representation from all stakeholder groupings are included in the various working groups especially those that have raised issues with the current arrangements as in this way we can ensure that these are addressed by the solutions developed.

Q18. What are your views on the proposed Terms of Reference for the steering group?

Whilst noting the high level responsibilities of the proposed steering group, we would hope that this steering group would not act as a replacement for the existing technical code panels and that these panels would still be consulted in respect of the proposals arising from the ECR programme.

The ToR should also include a responsibility to undertake regular wide-ranging stakeholder consultation and feedback not just with the advisory groups. The group should also consider the extent of what documents are included within the scope of the project and whether this extends to all standards referenced within the Distribution Code annexes as well as those referenced within the Grid Code

Q19. Do you have further views on how to best include all the relevant perspectives in the governance of the project?

Not at this stage - though noting that the governance arrangements are only in relation to the project and not the existing Codes or their content which will remain as is until the ECR proposals are presented by Ofgem/BEIS.

Q20. How do you think the steering group should make decisions, particularly if there is not consensus?

As the project is not altering the code text (as this will still be subject to the separate Code Governance arrangements) then a majority decision may be appropriate, though recourse to Ofgem to provide guidance where consensus cannot be achieved is also a possibility.

Q21. What are your views on the proposed stakeholder engagement? Is there more that can be done to ensure effective stakeholder engagement?

Whilst NGENSO has engaged with a wide range of stakeholders via various industry fora there is still a concern that the smaller parties who tend to be connected to the distribution networks may not be fully aware of the plans for a whole system code and the implications this may have for them.

Q22. Would you like to attend the webinars? If so, please leave your contact details in your feedback.

We would plan to attend the webinars.

Q23. Would you like to request a regular update from the project at your forum? If so, please leave contact details of your forum in your feedback.

We would expect to receive regular formal updates at the Distribution Code, Grid Code and SQSS Review panels.

Q24. What are your views on the proposed schedule?

Challenging. The simplification of the Technical Codes is unlikely to be as straightforward as the ESO has assumed. The codes have developed over a number of years and have been drafted to suit the particular needs of their intended audience. Care will need to be taken to ensure that any changes to terms and definitions do not have unintended consequences across other technical and commercial codes. As noted in Section 5, any proposals arising from the WSTC which involve

changes to the existing Codes will need to progress through the existing code change process and the progression of these modifications may impact upon timescales. The impact of the outcomes from the ECR will also need to be factored in at the appropriate time, as these are likely to occur at an early stage in the project timeframe.

In respect of the immediate timeline, holding a first Steering Group meeting before 17 December 2021 could be very difficult unless nominations from the proposed membership have already been sought as this is only a month after the consultation has closed.

This consultation is available online here:

<https://www.nationalgrideso.com/industry-information/codes/digitalised-whole-system-technical-code>

Please return responses to box.wholesystemcode@nationalgrideso.com before 5pm on 12th November 2021.