

The National Grid Company plc

**Minutes of the
Grid Code Review Panel
NGT House, Warwick
20 November 2003**

Members/Alternates

Andy Balkwill (AB)) (Chair)
David Payne (DP)) (Secretary)
Patrick Hynes (PH))
Nasser Tleis (NT)) National Grid
Rachel Morfill (RM))

Ian Gray (IG) Network Operators

Chris Winch (CW) OFGEM

John Norbury (JN)) Generators with Large
John Capener (JC)) Power Stations with
Claire Maxim (CM)) total Reg. Cap.> 5GW

Roger Salomone (RS) BSC Panel

Advisors/Observers

Robert Lane (RL) CMCK
Mike Thorne (MTh) NGC

Guy Nicholson (GN) Econnect

1 APOLOGIES FOR ABSENCE

1595 Apologies were received from:

- John Morris (Gens >5GW)
- Dave Ward (Gens <5GW)
- Malcolm Taylor (Gens without Large Power Stations)
- Mike Kay (NO)
- Jeff Hunt (NO)
- Bridget Morgan (Ofgem)
- Chris Rowell (BSC Panel)
- Francois Boulet and David Nicol (EISO)
- Brian Sequeira (Suppliers).
- C Zhang (EDF Energy)
- No representative for Non Embedded Customers had been identified.

1596 The Chairman welcomed John Capener (representing John Morris), Chris Winch (representing Bridget Morgan) Roger Salomone (representing Chris Rowell) and Guy Nicholson who was attending this meeting as an observer.

APPROVAL OF MINUTES OF PREVIOUS MEETING (030909drpm.doc)

1597 DP pointed out that NT had been omitted from the Apologies list.

1598 DP also pointed out that an additional Action was required to indicate that BG would publish a paper explaining the changes NGC were taking forward to the

NGTS's prior to the introduction of the GES changes. This Action would be inserted as minute 1554 and subsequent minutes would be renumbered.

1599 The minutes were otherwise agreed as a true record of the previous meeting.

3 MATTERS ARISING FROM PREVIOUS MEETING (not covered below)

3.1 Summary of actions (GCRP 03/31)

1600 Action 1592 – Licences on the Ofgem website. CW reported that all public records would be included on the Ofgem website in due course. However all public records were available in hard copy from the Ofgem library. JN asked if the licences were available from the DTI website. RL indicated that the DTI website included limited documentation related to the licences.

1601 All other actions were either complete or covered by other agenda items.

4 GRID CODE DEVELOPMENT ISSUES (GCRP 03/32)

4.1 Report On Progress Of Consultation Papers (GCRP 03/32 Table 1)

1602 Table 1 of paper GCRP 03/32 detailed the current position with consultations. The following additional points were noted.

1603 E/02, F/02, A/03 and B/03 would be removed from the list.

1604 E/03 – Proposed CC.6.3.3 changes. Two sustained objections had been received. The main issues raised had been associated with Frequency Response markets and governance of the 48.8Hz tripping level for low frequency relays. The report to the Authority was being prepared.

1605 H/03 – Proposed Housekeeping changes. The proposed changes had been approved and would be implemented on 24th November 2003.

1606 J/03 – Grid Code modifications to support the introduction of a Maximum Generation Service. The report to the Authority had been sent on 28 November 2003. The Authority had required clarification on the definition of Maximum Generation Service but had now approved the proposed changes for implementation on 28th November 2003.

4.2 Other Issues (GCRP 03/32 Table 2)

1607 It was agreed that the item related to Governance of Electrical Standards could be removed from the list as this was now the subject of a consultation.

1608 It was agreed that the two items related to Generation Capacity/Registered Capacity and Capacity terms used in the Grid code could now be merged into one item.

- 1609 Three further items now required to be added to the list related to Intertrips, Licence Exempt Embedded Power Stations and Mothballed Plant Availability /Running on Alternative Fuels.
- 1610 **Action:** *DP to amend the Issues list as indicated above.*
- 1611 There was nothing further to report on Outstanding/Other Issues.

5. PROGRESS ON CURRENT GRID CODE MODIFICATION PROPOSALS

5.1 Governance of Electrical Standards

- 1612 AB reported that the Governance of Electrical Standards and the associated Grid Code changes was now the subject of Consultation Paper K/03 which had been sent out on 28th October with a closing date of 28th November 2003.

6 WORKING GROUPS

6.1 Grid Code provisions related to mothballed plant and plant capability to run on alternative fuels (GCRP 03/33)

- 1613 MTh reported that at the last GCRP meeting it had been agreed that a working group should be convened to consider the issues associated with return to service of mothballed plant and the capability of generating plant to run on alternative fuels
- 1614 The working group had met twice and as a result National Grid now had a good understanding of industry concerns on the provisions of relevant information and in particular confidentiality.
- 1615 It was proposed that the PC should be modified to include data associated with the return to service of mothballed plant and the capability of plant to run on alternative fuels to be provided under Week 24 data and at NGC's reasonable request. A new definition of Mothballed Generation Unit would also be required. Consideration was also being given with respect to appropriate changes to the DRC. With respect to Interconnectors it was considered unlikely at this stage that such plant would be mothballed and, given the extensive Grid Code changes likely to be necessary, it would be more appropriate to consider this at some point in the future.
- 1616 One area of concern was related to how aggregated data would be displayed such that confidentiality was not breached. MTh explained that for mothballed plant MW values available in various timescales would be requested and he demonstrated how aggregated data might be used in bar chart form indicating total plant capacity available in each timescale. MTh also showed how a total MW vs. time curve could be displayed for the use of alternative fuels given different fuel storage levels. In each case confidentiality for individual plant would be provided.
- 1617 MTh explained that following the working group meetings a number of issues had come to NGC's attention which were included in the paper. He agreed to request comments on the issues from working group members prior to issuing a consultation paper.
- 1618 **Action:** *MTh to request comments on issues raised from working group members.*

- 1619 JN asked what assurance NGC could give that dis-aggregated information supplied by Users would not be used by NGC trading functions.
- 1620 MTh explained that NGC already receives some related data in the RC=0 and Output Useable which enables NGC to determine whether plant is mothballed or unavailable. The additional information requested would give an estimate of how quickly plant could be returned to service once a decision has been made. NGC had a Licence obligation to ensure that the Transmission System was operated efficiently and economically and would fail to comply with this obligation if information was not used. However MTh assured JN that NGC was not allowed to trade in a speculative manner and the information provided would not be used in this way by NGC.
- 1621 JN also stated that Malcolm Taylor had asked for assurance from Ofgem that information would not be passed to industry trading functions. CW agreed to ensure this concern was taken back to Ofgem.
- 1622 JN asked NGC to include a statement of assurance in the associated consultation paper. MTh agreed to discuss with Malcolm Taylor appropriate wording to be included in the consultation paper.
- 1621 **Action:** *MTh to discuss with Malcolm Taylor appropriate consultation paper text with respect to assurance on the confidential use of data provided by Users.*
- 1623 CW also stated that bearing in mind the concerns expressed by GCRP members Ofgem considered that it would be helpful for the option of NGC publishing aggregated information as requested by Ofgem to be included in the Grid Code consultation on this subject.
- 1624 **Action:** *MTh to include this option in the consultation paper.*
- 1625 MTh explained that it was expected to send out a consultation paper by the end of November with a closing date in early January to take account of the Christmas and New Year Holiday period. It was then expected that a Report to the Authority would be possible by the end of January 2004.
- 1626 Subject to the associated actions GCRP members agreed that a consultation should be initiated.

6.2 Intertrips Working Group (GCRP03/34)

- 1627 PH explained that the first meeting of the Intertrips working group would be held on 16th December 2003. The Terms of Reference for the working group were attached with the paper.
- 1628 GCRP members were invited to agree the membership of the working group, discuss the Terms of Reference and confirm that the timescales detailed in the Terms of Reference were appropriate.
- 1629 There were no objections to the membership of the working group. No other comments were made at the meeting.

6.3 Licence Exempt Embedded Medium Power Stations (LEEMPS) Working Group (GCRP 03/35)

- 1630 AB stated that the working group had made good progress on considering a range of options for ensuring LEEMPS comply with technical requirements. The most appropriate option appeared to be for a Grid Code change requiring Network Operators to apply technical conditions to LEEMPS, probably via the Distribution Code for transparency. National Grid was preparing legal text for consideration at the next working group meeting on 1st December. Mike Kay had indicated that paper GCRP 03/35 would be presented to the November DCRP meeting.
- 1631 JN stated that National Grid currently required LEEMPS to comply with a limited set of technical requirements via conditions associated with Licence exemptions. The working group had been considering a mechanism by which conditions could be applied via the Grid Code but JN was concerned that it appeared that all of the current Grid Code requirements would be imposed on LEEMPS. JN felt that this was unacceptable and the working group should consider which Grid Code clauses should apply.
- 1632 AB agreed that it was inappropriate that certain conditions such as the Balancing Codes should be applied to LEEMPS and the objective would be ultimately to identify which Grid Code requirements would apply to LEEMPS. This was not included in the Terms of Reference for the working group but National Grid was considering these issues internally. It was also recognised that technical conditions had been considered as part of the Generic Provisions discussion and there was a danger of reopening that debate.
- 1633 National Grid stated that consideration should be given to which clauses to apply after consideration had been given to the mechanism. JN felt that the two processes should run in parallel in order to develop a complete picture.
- 1634 National Grid agreed to review the working group Terms of Reference to include consideration of which Grid Code clauses should apply to LEEMPS.
- 1635 **Action:** *AB to amend working group Terms of Reference and circulate to working group and GCRP members.*
- 1636 JC stated that it appeared that ultimately technical requirements would be applied via the Distribution Code and asked how this would affect CUSC Amendment proposal CAP067.
- 1637 AB explained that CAP067 was a replacement for CAP002 and was intended to ensure that NGC was made aware of embedded power station developments that could impact on the Transmission System so that reinforcements could be identified. It proposed that CUSC 6.5.1 would be amended to require Network Operators not to energise new embedded power station developments until associated Transmission System works had been completed

7 OTHER GRID CODE RELATED ISSUES

7.1 Grid Code compliance issues with refurbishment plant (GCRP 03/36)

- 1638 RM explained that following plant refurbishment generators may invite National Grid to witness tests carried out on the plant but this approach was inconsistent as National Grid was not always invited to witness these tests. RM pointed out that in some cases the refurbishment, especially when controls were updated from analogue systems to digital systems, could affect the performance of the plant to the detriment of other Users as well the NGC Transmission System. National Grid

wanted to take a proactive approach to ensure refurbishment was carried out efficiently to ensure problems did not arise at a later date as a result of the refurbishment work. National Grid had raised this with the GCRP in order to determine an appropriate way forward.

- 1639 JN expressed concern that National Grid would expect generators to carry out extensive tests at their own cost and risk, which JN felt was not acceptable. JN also asked if NGC had any suggestions on how to take the issue forward.
- 1640 RM explained that the Grid Code does not currently oblige NGC to witness such tests and was now looking to ensure consistency and transparency in this area.
- 1641 It was agreed that further discussion was required. RM, CM and JN agreed to meet informally to consider the issue for further discussion at the February GCRP meeting.
- 1642 **Action:** *RM, CM, JN to discuss the issue informally before the February 2004 GCRP meeting.*

7.2 Proposed changes to the 'Data Validation, Consistency and Defaulting Rules' under the Grid Code (GCRP 03/37)

- 1643 PH explained that at the November 2003 GCRP meeting it was agreed that National Grid would bring forward proposals for changes to the Data Validation, Consistency and Defaulting Rules to enable checking of Physical Notifications against CEC. These changes were brought about as a result of CUSC Amendment CAP043.
- 1644 Paper GCRP 03/37 outlined the changes and included a draft consultation paper on the proposed changes to the Data Validation Rules and the associated Grid Code change.
- 1645 GCRP members were invited to provide comments on the proposals and the draft consultation paper by 27 November 2003. Assuming no major issues were raised it was expected that the consultation paper would be issued by 1 December 2003.
- 1646 JN suggested that the proposed changes to the 'Rules' detailed on page 9 should be amended to indicate that alternative values should be agreed between NGC and the generator or the BM Participant (rather than the Lead Party) and that the word 'values' should be changed to the singular 'value'.
- 1647 CM stated that the consultation paper should clarify that processing of the data would be carried out within one day.
- 1648 **Action:** *PH to amend and clarify consultation paper following comments received.*

7.3 Proposed changes to Data Exchange under the Grid Code (GCRP 03/38)

- 1649 RM stated that a briefing note had been circulated to the industry explaining that it was National Grids intention to collect OC2 via an Internet based system. It was proposed that Users would access the data at their own convenience by use of passwords. The changes had initially been proposed as result of the expected large volume of data being supplied following the introduction of BETTA but NGC now intended to introduce the arrangements as soon as possible. RM explained

that although the Internet would be the preferred route for data collection fax facilities would be retained for those who preferred that route.

- 1650 Comments received so far from Users had all been supportive of the proposed approach. It was intended to implement the new arrangements by November 2004 following trials in September October 2004. A final specification would be formulated by the end of January 2004 as a result comments on the interface arrangements would be required before the end of January.
- 1651 JN felt that the costs for Users associated with their software and system changes associated with the proposals could be substantial. JN suggested that Users could send data to a dedicated server, requiring only a minor address change, and NGC could then redirect the data to an Internet server. RM agreed to ensure that this suggestion was considered.
- 1652 Some GCRP members pointed out that they had not seen the briefing note referred to and there was an issue of whether an appropriate circulation list had been used. It was agreed that the briefing note should be re-circulated using the same circulation list that was used for the Mothballed plant letter.
- 1653 IG pointed out that there would be an impact on Network Operators as they would need to view data. However it appeared no Network Operators had been included in the circulation list for the briefing note. DP agreed to make Network Operators aware off the briefing note at the November DCRP meeting.
- 1654 PH agreed to discuss with Bridget Morgan the most appropriate way of including Scottish parties in discussions regarding the proposed the arrangements.
- 1655 **Action:** *National Grid to ensure concerns raised passed back to National Grid Operations and Trading and to re-circulate briefing note using more appropriate circulation list.*
- 1656 **Action:** *DP to make Network Operators aware of briefing note at next DCRP meeting.*
- 1657 **Action:** *PH to discuss with Bridget Morgan.*

7.5 OC8 Issues

- 1658 DP explained that the HSE had provided comments on the OC8 Proximity working consultation although the comments related existing processes in OC8. These comments had now been considered and it was felt that although the Grid Code reflected the correct processes it would be helpful to classify certain areas. This could be processed in conjunction with any future OC8 changes. It was agreed that this should be added to the Outstanding Issues list.
- 1659 **Action:** *DP to include future update of OC8 on Issues List.*

8 BSC/CUSC MODIFICATION PROPOSALS (GCRP 03/29)

- 1660 BSC Modification P138 – This proposed compensation to those Users subject to Demand Control. There could be an associated requirement to modify the Grid Code to indicate that a need for Demand Control had been indicated on the BMRS. This was considered as the most appropriate method of informing Users.

- 1661 CUSC Amendment CAP 067 – This was a replacement amendment for CAP002. There was a need to propose associated Grid Code changes and it was expected that change proposals would be discussed at the GCRP. It was indicated that there may be a need to take a Fast Track approach for any consultation as described in paper GCRP 01/26.
- 1662 CUSC Amendment CAP 068 – This was concerned with competing Access requests. The proposal would be tabled at the next CUSC Panel meeting. There was a possible issue associated with confidentiality under the Planning Code.

9 REPORT FROM SCOTTISH GCRP

- 1663 The last SGCRP meeting had been held on 9th October 2003. The meeting had discussed windfarm provisions at length. A useful meeting had been held in September hosted by the SGCRP and attended by Transmission Licencees, Windfarm community representatives and Ofgem to consider differences in views. The meeting was based on a meeting with Ofgem held in May attended by Transmission Licencees and Users. The Licencees proposed further work to assist Ofgem in coming to a conclusion, including further discussions with manufacturers.
- 1664 Work on the Governance of Electrical Standards would be taken forward by the SGCRP.
- 1665 The SGCRP had agreed that given the concerns over the timescales associated with considering windfarm changes to the SGC, the existing DRC changes which had been submitted to Ofgem, would be withdrawn and replaced by two sets of equivalent changes:
- (a) all the changes identified but excluding those related to windfarms
 - (b) all of the windfarm changes.
- 1666 JN commented that there had been substantial discussion on the Scottish Windfarm proposals and assumed that Scottish Proposal would need to align with the Generic Provisions proposals. JN was concerned that another round of consultations may be required although ongoing discussion would be welcomed.
- 1667 CW stated that a seminar on the issues had been held recently at the IEE. The consultations were continuing for the time being and it was accepted that the process could take longer than initially expected.
- 1668 GN stated that consideration to the views of all sides associated with the issues should be considered and the industry would prefer to see a set of standardised requirements.

10 BETTA

- 1669 A consultation paper on the 'Grid Code under BETTA', which included a draft GB Grid Code, was issued in September, with responses requested by 25 November 2003. In parallel with this consultation, the Grid Code Expert Group (GCEG) is assisting Ofgem/DTI to evaluate the differences between the two existing Grid Codes. Additional consultations on operating codes are continuing via a number of mini-drafting consultations.
- 1670 Work is progressing with the drafting of the new GB System Operator – Transmission Owner Code (STC) with the assistance of the SO-TO Expert Group (STEG) for development of the detailed processes.

- 1671 Information concerning both expert groups (GCEG & STEG) together with a BETTA work programme, setting out the key activities and their associated milestones, is published on OFGEM's web site.
- 1672 Other consultations that Ofgem/DTI intends to publish in the near future include:-
- Transmission licences
 - Small generators
 - GB CUSC
 - GB BSC

11 ANY OTHER BUSINESS

- 1673 Malcolm Taylor had proposed a change to the Grid Code consultation process (See paper AOB 20/11/03 BY Malcolm Taylor). The proposal suggests that Grid Code consultation responses should be published as they were received including National Grids replies to any issues raised. Malcolm believed that this transparency would enable other Users to confirm agreement with any points raised. It was felt that the necessary arrangements could be put in place with the need for a Grid Code modification.
- 1674 National Grid felt that there were some merits in the proposals. As most responses to consultations were received at the end of the consultation process it should be possible to publish responses on the website where appropriate at the end of the consultation period. However there may be consequences which would need further consideration. For example there was a possibility that such arrangements could initiate a 'working group by e-mail' following consultations.
- 1675 GCRP members generally felt that National Grid currently does a good job on consultations. However it was felt that further transparency would be helpful. It was noted that Grid Code consultations generally result in a small number of responses. Improved transparency would enable parties to better understand some of the complex issues and possibly generate more responses. It was felt that Consultation papers should seek permissions for responses to be included on the National Grid Website.
- 1676 AB agreed to discuss this issue further with Malcolm Taylor and report back at the February GCRP meeting.
- 1677 **Action:** *AB to discuss with Malcolm Taylor.*

12 DATE, TIME & VENUE OF NEXT MEETING

- 1678 Thursday **26th February 2004**, starting at **10:30 am**, at NGT House, Warwick.