

# **National Grid Company plc**

## **Grid Code Review Panel**

**6<sup>th</sup> February 2003**

### **Proposed Change to Grid Code consequent on BSC Modification Proposal P80**

#### **Introduction**

1. This paper introduces proposed Grid Code changes required as a result of a BSC Modification Proposal P80.
2. The Grid Code change proposals would be the required consequential changes should the Authority approve the BSC Alternative modification for P80 'Deemed Bid/Offer Acceptances for Transmission System Faults'.

#### **Proposals**

3. The attached Draft Consultation paper details the proposed Grid Code changes, describing the relationship between BSC Modification Proposal P80, its Alternative proposal and the Grid Code. The areas of the Grid Code affected would be Balancing Code 2 – Post Gate Closure process and the Glossary and definitions. Proposed Grid Code text is included in the attached draft Consultation Paper.

#### **Way Forward**

4. The Grid Code Review Panel are invited:
  - Consider the proposed Grid Code changes described in this paper;
  - Comment on the proposals and
  - Suggest any amendments to the proposals.
5. Following discussion at the 6<sup>th</sup> February Grid Code Review Panel meeting and taking account of any comments received at the meeting, National Grid intends to initiate a formal consultation on the proposals.

National Grid Company plc

23<sup>rd</sup> January 2003



# National Grid

## CONSULTATION DOCUMENT

### Proposed Change to Grid Code consequent on BSC Modification Proposal P80

The purpose of this document is to consult on the above Grid Code Modification Proposal with authorised electricity operators liable to be materially affected by the proposed changes

Consultation Ref	
Issue	Draft 1.0
Date of Issue	
Prepared by	National Grid

## DOCUMENT LOCATION

**National Grid website:**

[http://www.nationalgridinfo.co.uk/grid\\_code/mn\\_consultation\\_papers.html](http://www.nationalgridinfo.co.uk/grid_code/mn_consultation_papers.html)

## DISTRIBUTION

<b>Name</b>	<b>Organisation</b>
AEO's	Various
GCRP Members/Alternates	Various
Interested Parties	Various
National Grid Industry Information Website	

A. INTRODUCTION

1. National Grid Company plc ("National Grid"), in accordance with its obligations under paragraph 2 of Condition 7 of the Transmission Licence, believes that the time has come to review, in consultation with authorised electricity operators liable to be materially affected thereby, the Grid Code and its implementation in certain respects.
2. This review is concerned with consequential changes that would be required to the Grid Code if the Authority were to approve the BSC Alternative modification for P80 'Deemed Bid/Offer Acceptances for Transmission System Faults'. The changes that have been identified in the Grid Code to implement P80 Alternative are in Balancing Code 2, BC2, – Post Gate Closure Process, with the addition of some new terms in the Glossary and Definitions that support this. The proposed changes to the Grid Code have been discussed at the Grid Code Review Panel, where members had the opportunity to comment on them.
3. Following receipt of comments from those authorised electricity operators which it has consulted by this Paper, National Grid intends, in accordance with paragraph 2 of Condition 7 of the Transmission Licence, to send to the Authority :-
  - (a) a report on the outcome of its review, including this consultation process;
  - (b) the proposed revisions to the Grid Code which National Grid (having regard to the outcome of such review) reasonably thinks fit for the achievement of the objectives of the Grid Code referred to in sub-paragraph (b) of paragraph 1 of Condition 7 of the Transmission Licence; and
  - (c) any written representations or objections from authorised electricity operators (including any proposals by such operators for revisions to the Grid Code not accepted by National Grid in the course of the review) arising during the consultation process and subsequently maintained.
4. The report will also be made publicly available on National Grid's website.
5. The revisions to the Grid Code proposed by National Grid and sent to the Authority then require approval by that body and will, if approved, come into force on such date (or dates) of which you will be notified by National Grid, in accordance with the Authority's approval.

B. DESCRIPTION OF THE PROPOSED AMENDMENTS AND THEIR EFFECTS

7. BSC modification Proposal P80 'Deemed Bid-Offer Acceptance for Transmission System Faults' proposes that the Transmission Company issue a deemed Bid–Offer Acceptances (BOA) when a BMU is forced to deviate from its Final Physical Notification (FPN) due to faults on the Transmission System. During the assessment of P80 the modification group developed an Alternative Modification. This Alternative Modification aligns the compensation method to that as proposed for P87 Alternative Modification 'Removal of Market Risk Associated with Operation of a Generator Intertrip Scheme'.
8. The BSC Panel decided on 14<sup>th</sup> November 2002 to submit a report to the Authority recommending implementation of the P80 alternative and rejection of P80 original. No draft legal text has been put forward the P80 original Modification. Therefore this

consultation only covers those changes required that as a consequence of implementing P80 Alternative Modification.

9. Details of the BSC Modification Proposal can be found on the Elexon website at <http://www.elexon.co.uk/ta/modifications/modifications.html>. The BSC have recommended that if accepted the implementation date for the Alternative be 24 June 2003, if the Authority decision is received by 24 February 2003.
10. The proposed change to the Grid Code involves an additional paragraph in Balancing Code 2 ,BC2, section BC2.5.4. BC2 covers with the processes that occur Post Gate Closure in the Balancing Mechanism. Amongst other things, and of particular relevance to this consultation, BC2 deals with the exchange of information between NGC and BM participants in real time. BC2.5.4 specifically covers operation in the absence of an instruction from NGC.
11. The Balancing Codes do not explicitly cover disconnection following a fault on the transmission system, although there is a general requirement that all data submitted should be accurate. Therefore data submitted to the system operator should take account of any disconnection.
12. In order to implement P80 alternative we propose to add an additional section under BC2.5.4, 'Operation in the absence of instructions from NGC'. This will note that the commercial arrangements are covered in the BSC or a bilateral contract between the User and NGC. It will also relieve the User of an obligation to supply Physical Notification data that accurately indicates the expected operation of the BM Unit during the period of disconnection, as required by the BSC methodology.
13. To ease drafting, three new defined terms: "**System Fault-affected BM Unit**", "**Eligible BM Unit**" and "**System Fault-affected Period**" are introduced into the Grid Code. These are directly referenced to the BSC.
14. National Grid has a number of concerns about the BSC modification. These will be spelt out in the report to the Authority following this consultation.
15. Whilst the Alternative P80 modification requires the submission of inaccurate PN data, this will **not** relieve Users of the obligation to submit accurate Export and Import limits under the Balancing Codes.
16. Appendix 1 shows the proposed Grid Code change with additions double-underlined and deleted text struck-through.

B. COMMENTS

17. National Grid would be grateful to receive your comments on, or any suggestions you may have in relation to, these proposed amendments to the Grid Code. Comments would be welcomed and should be sent to National Grid by **[two weeks after release]**. The comments will be reviewed and responded to and National Grid will then prepare its report to the Authority.
18. Unless otherwise marked as confidential any responses containing objections to the proposals that are maintained will be published on our website in the copy of the Report to the Authority referred to in paragraphs 3 and 4.

13. Your formal responses may be:-

Posted to: Patrick Hynes  
Network Strategy, Commercial Codes  
National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

Faxed to: 024 7642 3298

Emailed to: [patrick.hynes@uk.ngrid.com](mailto:patrick.hynes@uk.ngrid.com)

Appendix 1  
For P80 Alternative

**BALANCING CODE NO. 2**

**POST GATE CLOSURE PROCESS**

BC2.5.4 Operation in the absence of instructions from **NGC**

BC2.5.4.1 In the absence of any .....

BC2.5.4.2 In the case of a **System Fault-affected BM Unit** no **Bid-Offer Acceptance** will be issued. In these circumstances:-

a) the commercial arrangements are dealt with in the **BSC** or in an agreement between **NGC** and the **BM Participant**, and

b) during the System Fault-affected Period as notified by **NGC**, the **BM Participant** will be relieved of its obligations in BC1.4.2(a), BC1.4.3 and BC2.5.1 requiring that **Physical Notifications** shall represent the best estimate of expected input or output of the **System Fault-affected BM Unit** and instead the **BM Participant** should submit **Physical Notifications** for the **System Fault-affected BM Unit** to represent such **BM Participant's** best estimate of the **System Fault-affected BM Unit's** expected input or output of **Active Power** before being de-energised, as though no fault had occurred. Nothing in this paragraph shall relieve the **BM Participant** of any of its other obligations under BC1.4.2(a), BC1.4.3 and BC2.5.1, in respect of such **System Fault-affected BM Unit** and of any of its obligations under BC1.4.2(a), BC1.4.3 and BC2.5.1, in respect of any **BM Units** other than a **System Fault-affected BM Units**.

**GLOSSARY AND DEFINITIONS**

New definitions to be added

**System Fault-affected BM Unit**

Has the meaning set out in the **BSC**.

**Eligible BM Unit**

Has the meaning set out in the **BSC**.

**System Fault-affected Period**

Has the meaning set out in the **BSC**.