ESO

Code Administrator Meeting Summary

Meeting name: GSR032 - Facilitate Implementation of the Electricity System Restoration Standard - Workgroup 4

Date: 22/06/2023

Contact Details

Chair: Milly Lewis, National Grid ESO milly.lewis@nationalgrideso.com

Proposer: Sade Adenola and Llewellyn Hoenselaar, National Grid ESO
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Key areas of discussion

The aim of the Workgroup was to discuss the following to ensure all topics have been discussed ready for the Workgroup Report:

- The non-confidential responses to the Workgroup Consultation
- Any subsequent need to develop the solution further
- Confirmation of the legal text
- Outstanding actions
- Progress against the Terms of Reference
- Next steps for the next Workgroup

Workgroup Consultation Responses

When questioned, the Chair confirmed that no confidential responses had been received as part of the Workgroup Consultation. The Chair suggested the Workgroup discuss the details of the two non-confidential responses received.

The Chair took the group through the response from the ESO (i.e. the Proposer), which expressed support for the Original Proposal. When invited for any further comment, the Proposer had nothing further to add.

The Chair noted that both responses agreed to keep Appendix I.1.3 within the legal text.

The Chair took the group through the second consultation response received which did not agree that the Original Proposal better facilitated the Applicable Objectives and also raised a number of questions for the group to address, whilst the respondent was not in the Workgroup meeting one of their Colleagues agreed to provide feedback:

Re: Q1 point i) The Respondent felt the current proposal was too qualitative and didn't provide sufficient detail to design against. The Proposer and an ESO representative expressed surprise at this being raised as the Workgroup had agreed to that level of detail by removing previously included quantitative details. It was stressed that the SQSS (Security and Quality of Supply Standard) changes have been made for parties to consult in conjunction

with the STC (System Operator-Transmission Owner Code), STCPs (System Operator-Transmission Owner Code Procedures) and Grid Code (especially GC0156: Facilitating the Implementation of the Electricity System Restoration Standard).

The Workgroup confirmed that they continued to be comfortable with this approach.

Action 12: For the next stage emphasis needs to be added into the Workgroup Report that the current solution is in conjunction with technical details in other codes, namely STC, STCPs and Grid Code (incl. GC0156).

Re: Q1 point ii) – the Respondent did not feel that the proposed solution would provide sufficient security or levels of supply due to the simplification of needs and requirements in the SQSS. The Proposer and an ESO representative again referred to the Workgroup not wanting overly prescriptive criteria in the SQSS changes and that the necessary details for considering restoration early in the design phase etc. were available in the other related codes. A Workgroup member referenced the group's preference for a more qualitative approach was to purposefully allow more freedom in the language.

The Chair noted that Ofgem can review the proposed wording and reject if they deem necessary.

A Workgroup member raised the question of whether a quantitative approach would be prohibitive, requiring application of the restoration requirements at every connection/overhead line. The Workgroup member also asked whether the SQSS should have to refer to other codes for details, however an ESO representative outlined that the Transmission Licence requires obligation to the SQSS and STC, which in turn reference the Grid Code (where most of the details on restoration are held). Therefore, the total requirements are available across the three codes which parties are obliged to comply with.

Re: Q1 point iii) – the Respondent did not feel that the proposed SQSS changes allowed effective competition, suggesting there to be a significant gap in the ESRS (Emergency System Restoration Standard) process by not all generators being contracted to offer the service. The Proposer highlighted that generators do need to have 72hrs resilience due to the requirements of GC0148 with the assurance activities being introduced through GC0156 and CMP398: GC0156 Cost Recovery mechanism for CUSC Parties (where they are paid for providing that resilience) and believe this is sufficient to support restoration. An ESO representative outlined how Grid Code updates, STC updates and restoration plans were devised via a series of sub-groups to map how the ESRS could be met and fill any gaps in the process.

The Chair invited the Proposer and an ESO representative to confirm that ESRS will have ongoing assigned resources on it after the code changes are made (examples given by the ESO were Restoration testing, compliance checks, a regular assurance programme and a designated restoration team) which will be integrated into business as usual.

Re: Q1 point iv) – The Respondent suggested that wording of I.1.1 would require restoration plans and restoration providers to be involved in Transmission Planning timescales to meet ESRS obligations. The Proposer explained that every contractor would be contracted to be available 80% of the time, including for planning timescales (the other 20% of time to be managed by the BAU team and not seen as an issue).

Workgroup members discussed the need to design the system sufficiently to support resilient generation while not knowing the final destinations of where that generation will be. A Workgroup member raised that this would require Restoration Contractors to know requirements years in advance, which could have cost implications for designing a system, especially against the background of the potentially shorter term decisions made by Restoration Contractors.

While an ESO representative acknowledged the challenge this poses, they noted that the Local Joint Restoration Plan (LJRP) is a co-signed document which when signed contains all requirements of the code required to ensure compliance. When challenged that this would mean every connection would need to be planned to allow restoration, the Proposer clarified that TOs will need to be mindful to ensure that the network is not be a barrier to a provider being a restoration provider.

Action 13: Clear phrasing needed to explain role of the LJRP (as a multi-party agreement).

Re: Q2, 4 & 5 – The Respondent didn't feel the proposed implementation approach went 'far enough' or that the system restoration requirements were defined sufficiently and suggested a defined set of design criteria. In the Workgroup, with input from the Proposer and an ESO representative, the Respondent agreed that if parties are clearly advised to read the Grid Code and STC in conjunction with the SQSS, it would satisfy the concerns raised.

Re: Q6 – while happy that Appendix I.1.2 applied only to post-restoration plans, the Respondent specified that they felt it would need to apply to all connections. The Proposer agreed with this point.

Re: Q7- the Respondent agreed with the Proposer that Appendix I.1.3 (re: no load gain) is required. The Chair confirmed that by clearly advising parties to consult all relevant codes should reinforce this. An ESO representative confirmed that 'no load gain' was also covered in STCP 16.1 as a quantified requirement which the Respondent was happy with.

Review of draft legal text

Re: Restoration Plan definition – reduced as a result of Workgroup discussions

- When asked by The Chair, the Workgroup raised no concerns about this definition.

Re: Appendix I - Appendix I.1.2 and I.1.3 to be kept based on consultation responses.

- When asked by The Chair, the Workgroup raised no concerns about this text.

Re: the solution

- When asked by The Chair, the Workgroup agreed that the solution has been replicated in the legal text.

Review of Action 11 from Showstopper

The outstanding action was for the Proposer to check with Ofgem whether OFTOs (Offshore Transmission Owners) need to engage with Ofgem regarding investment costs. The Proposer had contacted Ofgem and two OFTOs for information (but felt OFTOs would always need to engage on costs regardless).

A Workgroup member with experience of legacy OFTOs posed that they were not best placed to comment as OFTOs don't design/build the network and suggested that developers be questioned on this point. They followed this by outlining the difficulty, even impossibility, of providing any estimate to retrofit legacy OFTOs for restoration capabilities due to the bespoke nature of each OFTO.

The Proposer agreed with the Workgroup member but suggested future, self-exciting Generators (i.e. those with Grid Forming Capabilities) would need to provide costs for building in restoration capability.

An ESO representative also agreed with the Workgroup member on legacy OFTO retrofitting costs, and mentioned that while there may be some precedent with onshore parties that could be explored, however they felt that due to steps need to retrofit e.g., a possible need to replant, the addition of storage capabilities, the installation of Grid Forming capability and critical tools and facilities such as 72hr resilience and back-up supplies would make cost estimation very complex but equally would also be extremely unlikely occurrence.

The OFTO Workgroup member and an ESO representative suggested that experts/consultants would be best placed to analyse OFTO connections (of different ages) to assess the differing abilities to retrofit and whether a useful estimate was possible.

The Chair invited the Authority representative to ask any questions, who agreed to take the information away to discuss with colleagues. (**Action 14**)

The Workgroup agreed to close Action 11 and wait for the Authority representative to share a considered response.

Terms of Reference (ToR)

Workgroup members reviewed ToR and agreed that points a, b, c, d, f, g had been met.

Re: point e) and OFTO requirements, use of Offshore Networks, retrospectivity and renumeration

- A worked example of impacts on future OFTOs is included in Appendix I, and as a result of this Workgroup discussion, retrospectivity was expected to be raised very rarely (but possible). Regarding renumeration, there is no price control mechanism due to the guaranteed return for 20yrs when an OFTO is appointed. There are circumstances under which a retender can be triggered, but this has not been tested to the understanding of the Workgroup.

Re: point g (cross code impacts)

- An ESO representative highlighted for the group's interest that as well as STC and Grid Code interactions, there will be changes to the CUSC (CMP398/CMP412:

CMP398 Consequential Charging Modification) and BSC (P451: Updating BSC Black Start provisions and compensation arrangements) as a result of ESRS.

RE: point h (impact to investment plans and current compliance)

- A Workgroup member questioned whether TOs would be able to assess their compliance or need to apply for derogations at this point in time, to which the Proposer responded that the SQSS would be a set of guiding principles by which to gauge their compliance.
- On investment plans, an ESO representative referenced investment planning and cost assurance being covered in STC 16.1, and the Proposer referenced that none of the GC0156 sub-groups completed a Cost Benefit Analysis as it was so difficult to provide the necessary information.

  The Authority representative requested a list and narrative of what works TOs (Transmission Owners) would need to do (scale and level of works) in place of costs at this point. The Proposer shared a list of existing works and future works needed with the group (**Action 15** – Chair to circulate).

  The Authority representative agreed to check on how far the issue of costs will be pursued by the Authority, discuss with policy colleagues and feedback to the Workgroup (**Action 16**). An ESO representative suggested that CMP398 could be useful to review when considering the costs question.

Next Steps

- Workgroup summary and Workgroup Report to be shared with Workgroup Friday 23 June.
- Feedback on Workgroup Report required from members by Thursday 29 June at 2pm.
- Workgroup 5 on Friday 30 June to go through the Workgroup Report, agree Terms of Reference are met and have the Workgroup Vote (**Action 17**).
- Workgroup Report to Panel on 4 July ahead of 12 July Panel meeting.
- Code Administration Consultation 17 July – 7 August 2023
- Draft Final Modification Report to September 2023 Panel

Actions

Action number	Workgroup Raised	Owner	Action	Comment	Due by	Status
11	Showstopper	LH	Check whether OFTOs should/would need to engage with Ofgem re: investment costs	NA	22/06/2023	Closed
12	WG4	ML	For the next stage emphasis needs to be added into the Workgroup Report that the current solution is in conjunction	NA	23/06/2023	Closed

			with technical details in other codes, namely STC, STCP, Grid Code (incl. GC0156).			
13	WG4	ML	Clear phrasing needed to explain role of the LJRP (as a multi-party agreement)	NA	23/06/2023	Closed
14	WG4	SS	Feedback to the WG with any questions on OFTO cost retrospectivity	NA	By WG5	Open
15	WG4	ML	Chair to circulate ESO list of existing and future works for TO for ESRS	NA	28 June	Open
16	WG4	SS	Feedback to WG on Authority's intent re: cost exercises	NA	By WG5	Open
17	WG4	ML/EB	Share voting qualification with the Workgroup	NA	23/06/2023	Closed

Attendees

Name	Initial	Company	Role
Milly Lewis	ML	Code Administrator, ESO	Chair
Elana Byrne	EB	Code Administrator, ESO	Tech Sec
Sade Adenola	SA	ESO	Proposer
Llewellyn Hoenselaar	LH	ESO	Proposer
Fang Ji	FJ	SSE	Alternate Workgroup Member
David Lyon	DL	Frontier Power	Workgroup Member
Lewis Morgan	LM	National Grid Electricity Transmission	Workgroup Member
Peter Riste	PR	UK Power Networks	Alternate Workgroup Member
Shilen Shah	SS	Ofgem	Authority Rep
Srinivas Edla	SE	SSE	Observer
Anthony Johnson	AJ	ESO	Observer
Fyali Jibji-Bukar	FJB	ESO	Observer
Bieshoy Awad	BA	ESO	Observer