

Code Administrator Consultation Response Proforma

GC0117: Improving transparency and consistency of access arrangements across GB by the creation of a pan-GB commonality of Power Station requirements

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to grid.code@nationalgrideso.com by **5pm on 26 March 2024**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Milly Lewis Milly.Lewis@nationalgrideso.com or grid.code@nationalgrideso.com

Respondent details	Please enter your details	
Respondent name:	Antony Johnson	
Company name:	National Grid ESO	
Email address:	Antony.Johnson@nationalgrideso.com	
Phone number:	07966 734856	
Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input checked="" type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

wish my response to be:

(Please mark the relevant box)

Non-Confidential (*this will be shared with industry and the Panel for further consideration*)

Confidential (*this will be disclosed to the Authority in full but, unless specified, will not be shared with the Panel or the industry for further consideration*)

For reference the Applicable Grid Code Objectives are:

- a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity
- b) Facilitating effective competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);
- c) Subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole;
- d) To efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and
- e) To promote efficiency in the implementation and administration of the Grid Code arrangements

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Please provide your assessment for the proposed solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:
		Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		WAGCM1 <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		<p>The ESO support the Original proposed solution, especially in respect of Grid Code Objectives (a), (b) and (c) which as demonstrated by the Cost Benefit Analysis has shown the net benefit to the development, maintenance, and operation of an efficient, coordinated, and economical system against the background of increasing volumes of Embedded Generation, which in turn will also promote greater competition within the Balancing Mechanism. We also believe this modification will enhance the security and efficiency of the system through bringing a greater proportion of Generation under the framework of the Grid Code.</p> <p>In respect of WAGCM1, the ESO does not support this solution on the basis that it would result in higher operational costs as demonstrated by the CBA. As a consequence, we do not believe this meets Grid Code Objectives (a), (b) & (c).</p>
2	Do you have a preferred proposed solution?	<input checked="" type="checkbox"/> Original <input type="checkbox"/> WAGCM1 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>We support the Original proposed solution as the Cost Benefit Analysis produced by the ESO has shown significant cost savings in relation to balancing costs, including improved demand forecasting and constraint management. The analysis has shown that in respect of WAGCM1, balancing costs would increase significantly due to the reduction of mandated BM participants in Scotland over time.</p>
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>We believe that the implementation approach is appropriate as it ensures that any impacted party currently in the connection queue 10 working days after the modification is implemented would not be impacted</p>

		<p>as the possible implications of the modification on parties may not have been factored into any commercial considerations. For any new parties that submit a connections application from 10 days after the modification is approved, it will be made clear that these parties will only be impacted if they meet the criteria of a Large Power Station in respect of size (with a Registered Capacity of 10MW or more), and are also due to sign contracts for their Main Plant and Apparatus on or after the 1st June 2027.</p>
4	<p>Do you have any other comments?</p>	<p>With the increasing number of small embedded generators connecting both now and into the future, it is vital that NGESO as the System Operator, not only have increased visibility of these generators, but also where applicable, require for them to participate within the Balancing Mechanism to ensure that not only the system continues to be operated in a secure way, but also that it is managed efficiently to ensure balancing costs are kept as low as possible.</p> <p>We acknowledge that the Original proposed solution would increase costs for those generators that would now need to participate in the Balancing Mechanism, with the ESO completing a cost impact assessment with assistance from Generators to establish an assessment of these costs. We note that that this assessment did not explore the commercial opportunities available for participants in the BM.</p> <p>During the latter phases of the Workgroup discussions, it was noted that the ENA’s Strategic Connections Group are working alongside the ESO Connections Team to implement changes to the connections process in order to accelerate customers connecting to the distribution networks, with the Original proposed solution potentially having implications on these initiatives due to the lowering of the “Large Power Station” threshold in England and Wales. Through internal discussions with our connection’s colleagues, our conclusion was that we believe that the initiatives which are being developed with Industry could co-exist with some potential mitigations applied. We also note that one of the initiatives is still in the development stage and the potential of de-coupling the “Small”, “Medium” and “Large” Power Station thresholds would be advantageous to these initiatives, even without the existence of this modification.</p>

		<p>We note that there may need to be some minor amendments to the Data Registration Code in respect of Single Line Diagrams arising from proposed amendments to the Planning Code.</p> <p>We do not support the WAGCM1, as the CBA has shown that balancing costs would increase significantly over time due to the “Large Power Station” thresholds increasing in Scotland. The change to these thresholds would also present increasing challenges in efficiently and securely managing the system in Scotland due to a decrease in visibility and participation in the BM going forwards in this scenario.</p>
5	<p>Do you agree with the that GC0117 does impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Grid Code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>As part of the Original Proposal, there are changes to BC1 (BC1.2) and BC2 (BC2.2) and therefore would fall within the scope of the Terms of Article 18 Terms and Conditions.</p>
6	<p>Do you have any comments on the impact of GC0117 on the EBR Objectives?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Having looking at Article 3 of the EBR Objectives cover:-</p> <ul style="list-style-type: none"> (a) fostering effective competition, non-discrimination and transparency in balancing markets; (b) enhancing efficiency of balancing as well as efficiency of national balancing markets; (c) integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security; (d) contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector [...] 2 while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets; (e) ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue [market distortions] 3 ; (f) facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single

		<p><i>demand facility;</i></p> <p><i>(g) facilitating the participation of renewable energy sources and [supporting the achievement of any target specified in an enactment for the share of energy from renewable sources]</i></p> <p>Considering the above objectives, we consider the Original Proposal increases competition and promotes further Balancing Services.</p>
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