

Workgroup Consultation Response Proforma**GC0117: Improving transparency and consistency of access arrangements across GB by the creation of a pan-GB commonality of Power Stations 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 5 August 2022**. 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 Ruth Roberts ruth.roberts@nationalgrideso.com or grid.code@nationalgrideso.com

Respondent details	Please enter your details
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I wish my response to be:

(Please mark the relevant box)

 Non-Confidential Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

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 Workgroup Consultation questions		
1	Do you believe that the Original Proposal and WAGCM1 better facilitates the Applicable Objectives?	Mark the Objectives which you believe each solution better facilitates:
		Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input checked="" type="checkbox"/> C <input checked="" 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>We support the Original in lowering the harmonised GB threshold for BM participation to 10MW, particularly in respect of Grid Code Objectives A, B & C in that it will increase the numbers of participants in the Balancing Mechanism which will increase competition and reduce operating costs so providing an overall benefit to consumers. This is increasingly important as the number of participants in the BM has been reducing in recent years to the extent that particularly during lower demand periods the ESO Control Room can be left with very limited actions available in the BM to balance the system. We also support the Original Proposal in addressing the original defect to achieve harmonisation of thresholds across GB.</p> <p>We do not support WAGCM1 in increasing the BM threshold to 100MW as it will increase operating costs, especially in Scotland. It may also lead to stranded generator assets in Scotland. We do however acknowledge that WAGCM1 addresses the original defect.</p>
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<p>We believe that it is appropriate to introduce the code change with a suitable implementation date by which time appropriate systems and processes can be developed to support the Original Proposal.</p> <p>We would note that by harmonising the thresholds across GB the NGET and SPT TO areas will see a decrease in the 'large' generator threshold (for the original solution) while in the SHET area no change will be experienced.</p>
3	Do you have any other comments?	We also note the additional options detailed in the consultation but not raised as official alternatives.

		<p>As noted, we do not support WAGCM1 as this sets the 'large' threshold to 100MW which will impact system management costs and is out of alignment with other objectives such as the 'wider access' review which also seek to increase BM participation. The first of the additional options is similar to this while the remaining options are all similar to the original in achieving BM participation from 10MW but by different means.</p> <p>We believe that these last three options meet Grid Code Objectives A, B & C, however they are not preferred as they are more complicated and may require indirect BM instruction through the DNOs while being similar to the original in terms of their impact on users; the simpler solution in the original is better.</p>
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Our preference is to support the Original proposal though we would note it would be useful within the workgroup to consider a small amendment to this to require Large Power Stations less than 100MW to be fully visible in the BM rather than being treated as Generating Units as provided for in BC1 & BC2 of the Grid Code (which is currently the case in the Scottish TO areas), meaning that they do not have to meet the full requirements of the BM in respect of bid offer acceptance data and dynamic parameters. This does not deliver full operational support.</p> <p>If the original cannot be developed to address this point the ESO may need to raise an alternative to do so, which would provide a more economic solution to system needs by treating Large Embedded Power Stations less than 100MW as full BM units.</p> <p>One of the options discussed in the workgroup consultation (Alternative 2) refers to an approach with respect to Medium Power Stations; we would note that this could be further simplified by requiring Medium Power Stations to have an agreement with the ESO. The ESO would instruct these generators directly rather than via a DNO and they would be required to meet Grid Code obligations in respect of BM participation in much the same way as a Virtual Lead Party e.g., CC/ECC6.5 - Control Telephony, EDL/EDT etc. Depending on the conclusion of workgroup thinking on this the ESO might</p>

		<p>also need to raise an official alternative to capture this option which we acknowledge overlaps with developments through the Open Networks process. The advantage of this approach is that it reduces the burden on the DNO in having to act as a proxy for the Generator and generally achieves the same position of operational/system support as the original.</p>
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Specific Workgroup Consultation questions		
5	<p>Do you believe it is appropriate to change the definition of Demand Capacity and associated Grid Code definitions so that they align with the changes to Large, Medium and Small Power Stations? If so, do you think this should be addressed as part of this Grid Code modification or separately?</p>	<p>We do believe that it is appropriate to align Power Station Thresholds and Demand Capacity as currently drafted in the Grid Code. We believe that it is appropriate to ensure a level playing field between BM Units in respect of Demand and Generation though we would seek further views from industry on this issue and believe that it would be better to do this in a separate modification.</p>
6	<p>Do you see any unintended consequences of this changing the definition of Demand Capacity? If so, what are your reasons for this?</p>	<p>The consequence of changing the Power Station Threshold definitions across GB would mean BM Units in respect of Demand Capacity are no longer consistent with BM Units in respect of Generation as per the current industry arrangements. We would also note that whilst Electricity Storage Modules are considered as a form of Generation, the maximum Import Power of an Electricity Storage Module would need to be reflected as part of the criteria for a Small, Medium or Large Power Station.</p> <p>As per the answer to (5) above any outstanding issues would</p>

		be better considered separately.
7	Do you think the suggested change in the definition of Registered Capacity is appropriate and do you think this change should apply across the original and Alternative solutions proposed? If not, please state your reasons.	Yes, we support this approach in providing greater clarity and that it should apply across the original and any alternative proposals in an appropriate form.
8	Of the solutions proposed (i.e., the Original and Alternatives) which solution do you favour and why?	As per our responses to questions 1 & 3. We support the Original; the last three options set out in the workgroup report also achieve similar ends but are not preferred as they are overly complex while similar in impact on users.
9	Do you think there are unintended consequences in defining Type 1 and Type 2 Licence Exempt Embedded Medium Power Stations (LEEMPS) separately? If so, please state your reasons.	No
10	Do you think that there is merit in establishing a holistic net-zero view of the technical and commercial arrangements for connecting new and operating existing and new generators to meet the requirements of all stakeholders, then developing the necessary cross code changes to implement the new framework, rather than just change the definitions of power station sizes with this Grid Code modification?	In response, the solution should address the defect and at the same time meet the Grid Code Objectives which we believe would inherently consider these issues. We need to work within the existing frameworks and try to simplify rather than further complicate the current arrangements; the original achieves this.
11	Do you agree that the revised arrangements should apply to new generators connected to the system i.e., not applied retrospectively?	Whilst we believe that retrospectivity would be attractive, we do not believe that it is appropriate to apply to existing generators due to the additional costs to which they would be exposed which would not have been allowed for in their business models. Managing retrospective compliance with Grid Code

		requirements for BM participation could be considerably more difficult for existing rather than new generators. However, as is currently the case, smaller generators will still be free to voluntarily decide to participate in the BM if they wish.
12	Should the same approach on retrospectivity apply to all options?	Yes. See our response to Question 11.
13	Can you identify any potential consequential impact from the GC0117 modification proposal(s) on current electricity market or balancing arrangements as set out in other code frameworks (e.g., BSC, CUSC)? If yes, please identify these.	It depends on the solution. For the original, the change to the CUSC and BSC is likely to be more in the number of participants in the BM than any actual code changes since the definition of 'large' generators can continue to be used. It will need careful drafting in the Grid Code to ensure that the 'large' definition has different thresholds pre- and post- the implementation of GC0117 but can apply simply where used in the CUSC and BSC. The SQSS also uses the 'large' definition for security contributions which will need more thought. However, for all of these codes there is a natural progression – the volume of (and number of) large generators has been decreasing over the last few years which has impacted the way in which the system is operated and its security assessment.