

Open Letter to Grid Code Users and other interested parties reminding them of the obligations on Users to comply with the Grid Code.

23 July 2014

Dear Colleagues

This letter is issued in response to an Ofgem request at the July Grid Code Review Panel, where it was noted that a Grid Code derogation request had been received from a party against a replacement piece of equipment newly procured and installed. The reason for the derogation request was that the replacement equipment was specified identically to the equipment it was replacing, which was itself subject to lifetime derogation. This letter seeks to remind Users to bear this in mind when specifying new equipment.

National Grid has a licence obligation (Standard Condition C14) to have a Grid Code in force and to ensure it is implemented at all times. When a User is unable to fully comply with all aspects of the Grid Code, it is required to notify National Grid in accordance with the Compliance Processes section of the Grid Code. For non-compliances that extend beyond a certain period, both the User and National Grid are obliged to apply to the Authority for derogation against their respective licences.

If granted, these derogations are usually time-limited to allow an appropriate amount of time for the User to restore full compliance, although lifetime derogation may be appropriate under certain circumstances.

As part of National Grid's ongoing obligation, we would like to remind all Users who currently have lifetime derogations that, when their equipment is due for replacement, either as a result of a fault or because it is approaching the end of its asset life, then the replacement must satisfy the relevant requirements of the Grid Code and not the derogated performance requirements.

If you have any concerns with the above or wish to discuss any aspect of maintaining compliance with the Grid Code, please contact Richard Lavender at richard.lavender@nationalgrid.com in the first instance.

Yours sincerely

Ian Pashley

Market & Balancing Development Manager and Grid Code Review Panel Chair