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| **Grid Code Modification Proposal Form** | | At what stage is this document in the process? |
| GC0109  Modification Title:  The open, transparent, non-discriminatory and timely publication of the various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s). | | 01  Proposal Form  02  Workgroup  Consultation  03  Workgroup Report  05  Draft Grid Code Modification Report  Consultation  06  Final Grid Code Modification Report  04  Code Administrator  Consultation |
| **Purpose of Modification:** This modification will set out within the Grid Code the obligation on Network Operators to make available to market participants, in real time, all the types of Warnings etc., issued (including whether they ‘activate’ or ‘deactivate’ an action) so that market participants have a ‘one stop shop’ to find this information, in a user-friendly format | | |
| Description: Description: YES_GREEN | **Published on:** [insert date]  **Length of consultation:** 15 Working Days  **Responses by:** [Insert date] | |
| Description: Description: High_Impact | **High Impact**: None | |
| Description: Description: Low_Impact | **Medium Impact** Transmission Owners (including OFTOs and Interconnectors), Distribution Network Operators, Transmission System Users System Operator and Generators | |
| Description: Description: Medium_Impact | **Low Impact** None. | |

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| Contents  1 Summary 4  2 Governance 4  3 Why Change? 5  4 Code Specific Matters 5  5 Solution 6  6 Impacts & Other Considerations 6  7 Relevant Objectives 6  8 Implementation 8  9 Legal Text 8  10 Recommendations 8  Timetable  *The Code Administrator will update the timetable.*   |  |  | | --- | --- | | **The Code Administrator recommends the following timetable:** *(amend as appropriate)* | | | Initial consideration by Workgroup |  | | Workgroup Consultation issued to the Industry | dd month 2019 | | Modification concluded by Workgroup | dd month year | | Workgroup Report presented to Panel | dd month year | | Code Administration Consultation Report issued to the Industry | dd month year | | Draft Final Modification Report presented to Panel | dd month year | | Modification Panel decision | dd month year | | Final Modification Report issued the Authority | dd month year | | Decision implemented in Grid Code | dd month year | | **Any questions?** |
| Contact: Rachel Hinsley  **Code Administrator** |
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| **Description: Description: call_us 07811 762440** |
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# About this document

This report contains the discussion of the Workgroup which formed in August 2016 to develop and assess the proposal.

Section 2 (Original Proposal) and Section 6 (Proposer’s solution) are sourced directly from the Proposer and any statements or assertions have not been altered or substantiated / supported or refuted by the Workgroup. Section 8 of the Workgroup contains the discussion by the Workgroup on the Proposal and the potential solution.

The Grid Code Panel detailed in the Terms of Reference the scope of work for the GC109 Workgroup and the specific areas that the Workgroup should consider.

The Table below details the specific areas and where the Workgroup have covered them or will cover post Workgroup Consultation.

The full Terms of Reference can be found in Annex 1.

Table 1: GC0109TOR

|  |  |
| --- | --- |
| **Specific Area** | **Location in the report** |
| **Legal Requirements**   * Understand legal requirements as set down by EU legislation to ensure legal requirements are delivered according to timelines |  |
| **Supporting Documentation**   * Supporting document to form part of ToR |  |
| **Addition of interested parties**   * how does someone get added to the distribution list and/or is there a current process for being added to the list |  |
| **Existing Systems**   * look at existing systems and processes and determine whether they are adequate |  |
| **Appropriate changes to Grid Code**   * Consider how Grid Code should be amended to place the obligations on the appropriate party |  |
| **IDNO Impacts and Implications**   * Understand any IDNO implications |  |
|  |  |
| **Acronyms Table** |  |
| **Acronym Used** | **Full Meaning** |
| WG | Workgroup |
| WGM | Workgroup Member |
| BMRS | Balancing Mechanism Reporting Service |

# Original Proposal

**Section 2 (Original Proposal) and Section 6 (Proposer’s solution) are sourced directly from the Proposer and any statements or assertions have not been altered or substantiated / supported or refuted by the Workgroup. Section 8 of the Workgroup contains the discussion by the Workgroup on the Proposal and the potential solution.**

***Defect***

The defect is that there is no timely publication of the various Warnings etc., which is both on grounds of greater transparency but also that not all market participants currently get the Warnings.

#### What

The Grid Code will need to be amended to set out the procedure for the timely publication of the various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s).

An illustrative table of the types of relevant items has been developed within the industry and is attached with this proposal. This proposal is looking at the items listed in the far-left hand column (headed ‘*Type*’), some of which ae already published[[1]](#footnote-1) (see ‘*is it published*’ in the fourth from left column).

#### Why

Currently there is a lack of equality and equivalence in terms of the provision of information associated with certain ‘emergency’ type situations on the GB

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electricity system. A limited number of market participants are placed in an advantageous position as a result of this asymmetry of information.

Recital (19) of Regulation 714/2009[[2]](#footnote-2) set out that:

*“Equal access to information on the physical status and efficiency of the system is necessary to enable all market participants to assess the overall demand and supply situation and identify the reasons for movements in the wholesale price. This includes more precise information on electricity generation, supply and demand including forecasts, network and interconnection capacity, flows and maintenance, balancing and reserve capacity. ”* [emphasis added]

Article (2) (7) of Regulation 1227/2011[[3]](#footnote-3) defines market participant as:

*“’market participant’ means any person, including transmission system operators, who enters into transactions, including the placing of orders to trade, in one or more wholesale energy markets”* [emphasis added]

Related to this, Article (2) (1) of Regulation 1227/2011 defines inside information as:

*“(1) ‘inside information’ means information of a precise nature which has not been made public, which relates, directly or indirectly, to one or more wholesale energy products and which, if it were made public, would be likely to significantly affect the prices of those wholesale energy products.* [emphasis added]

*For the purposes of this definition, ‘information’ means:*

*(a) information which is required to be made public in accordance with Regulations (EC) No 714/2009 and (EC) No 715/2009, including guidelines and network codes adopted pursuant to those Regulations;*

*(b) information relating to the capacity and use of facilities for production, storage, consumption or transmission of electricity or natural gas or related to the capacity and use of LNG facilities, including planned or unplanned unavailability of these facilities;* [emphasis added]

*(c) information which is required to be disclosed in accordance with legal or regulatory provisions at Union or national level, market rules, and contracts or customs on the relevant wholesale energy market, in so far as this information is likely to have a significant effect on the prices of wholesale energy products; and*

*(d) other information that a reasonable market participant would be likely to use as part of the basis of its decision to enter into a transaction relating to, or to issue an order to trade in, a wholesale energy product.* [emphasis added]

*Information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to do so, and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of wholesale energy products;”* [emphasis added]

Currently some market participants; such as, but not limited to, the Transmission System Operator, DNOs (DSOs), Suppliers and Generators; may (will?) have access to various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s) which, under the current GB national industry arrangements, either (i) may not be available, in a timely manner, to other market participants or (ii) may not be available at all to other market participants.

This proposal would provide accessibility for market participants to market relevant information in a timely manner, as well as putting in place a robust governance route to apply the requirements in an open, transparent and proportionate way.

#### How

With the support of the industry, we will use this modification to finalise the solution, before consulting with the wider industry and submitting to Ofgem for a decision.

Our thinking is to make it as simple a process as possible. It could, for example, be simply an extension of the existing ‘mailing list’ used for any electronic alerting (such as email or text/SMS) that is already issued at the time. Or it might be, for example, via a website notice (such as the existing system warning(s) placed on BMRS). Furthermore, it maybe something that market participants pre-register for or is made more widely available – we are open to stakeholder / Workgroup input on the details of the ‘how’ / ‘solution’.

3 Governance

Given the materiality of the change(s) proposed in this Modification, the Proposer believes that self-governance or fast track governance arrangements are not appropriate in this case.

In terms of materiality, if information is not provided to market participants in a timely manner then this could have a material effect (that is, greater than £10,000) on those market participants collectively (as well as possibly individually, depending on the circumstances) if they are trading without knowledge of the facts.

As the type of events the Warnings etc., relate to are numerous and varied, there may be a number of occasions in, say, a winter where this could occur.  Unfortunately, without transparency around this Warnings etc., currently it is not possible to be more definitive on this at this moment in time.

4 Why Change?

This Proposal seeks to support the application of relevant aspects of EU law which have been introduced in order to enable progress towards a competitive and efficient internal market in electricity.

Ensuring that there is open and transparent access for market participants to market relevant information will support both the GB market as well as cross-border trade within the (UK) Member State and with other Member States which will achieve improved benefits for end consumers.

# Code Specific Matters

***Technical Skillsets***

 Understanding of the GB regulatory frameworks (particularly Grid Code)

 Understanding of the EU legal framework and the potential impact

 Where appropriate, knowledge of the obligations and operational processes of

GB Network Operators, the GB National Electricity Transmission System Operator and market participants

***Reference Documents***

The Grid Code, the SO/TO Code, the Distribution Code, the Fuel Security Code and the Electricity Supply Emergency Code.

6 Proposer’s Solution

***Section 6 (Proposer’s Solution) are sourced directly from the Proposer and any statements or assertions have not been altered or substantiated / supported or refuted by the Workgroup. Section 8 of the Workgroup contains the discussion by the Workgroup on the Proposal and the potential solution.***

The initial thinking is that a simple process as possible would be used to achieve the aims of this proposal.

As noted above, it could, for example, be simply an extension of the existing ‘mailing list’ used for any electronic alerting (such as email or text/SMS) that is already issued at the time of a particular Warning etc.

Or it might be, for example, via a website notice (such as the existing system warning(s) placed on BMRS).

It may be something that market participants pre-register for or is made more widely available – we are open to stakeholder / Workgroup input on the details of the on this.

The Grid Code will require the relevant Network Operator(s) who either issues or receives Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., to notify market participants using the appropriate mechanism(s).

Ideally, it would be best if a single information channel was adopted (and in this regard the BMRS would seem the obvious ‘candidate’).

However, we appreciate that there may be practical issues with this (BMRS) approach and, therefore, we believe that a flexible approach, at least to begin with, should be considered as part of the solution.

7 Urgency Request

On the 26 June 2018, the Proposer requested that GC109 be treated as an urgent proposal, The Proposer highlighted the fact that a number of stakeholders had written to the Chair of the Panel to express their concerns around the immediate significant impact of this modification

Full details regarding the Proposers reasoning for urgency can be found under Appendix 1 under Annex 3

The Grid Code Panel recommended by majority that GC109 met the criteria for urgency and as such considered that it should be treated as an Urgent Grid Code Modification proposal. The full rational behind the decision can be found in Annex 3

The Authority in its urgency decision letter confirmed that GC0109 should **not** be treated as urgent as they do not consider that the arguments raised by the Proposer in the request are substantiated with sufficient evidence or explanation of how failure to consider GC109 on an urgent basis would result in a significant commercial impact on market participants. In absence of this evidence, the Authority stated that they are not satisfied that there would be a significant overall impact on the market from not progressing GC109 on an urgent basis.

A copy of Ofgem’s Urgency decision letter can be found in Annex 4

# Workgroup Discussions

The Workgroup convened 4 times between August 2018 and 03 December 2018 to discuss the defect that has been identified, detail the scope of the proposed defect, devise potential solutions and assess the proposal in terms of the Applicable Grid Code Objectives. The Workgroup will in due course conclude these tasks after this consultation (taking account of responses to this consultation).

The Workgroup discussed several key attributes under GC109 and these discussions are described below.

1. **Current methods of communications of notifications**

The Proposer referred to a P305 document that Elexon published, and informed the Workgroup of a communication channel that already exists between National Grid and Elexon with them having a communication interface via the website and electronical method; i.e Data File. The Workgroup noted that currently up to fifteen minutes are allowed for the NGESO to notify Elexon in the event of certain warnings / alerts etc., being issued to a party or parties and that, currently, Elexon has up to five minutes to then place that information onto the BMRS. It was noted that both these timeframes were the upper limits, and that each could be done in less time. Thus, the Proposer noted, it could be up to twenty minutes after a warning / alert etc., having been issued before other market participants became aware of it. The Proposer reiterates that he is not looking to create a new method of communication, but was rather seeking to utilise existing electronic communication channels to speed up the delivery of information to market participants and thus, in simple terms, to just add onto the existing distribution list that is already created.

A Workgroup member raised two key points in regards to this modification;

1.The timing of the reporting of information, i.e. how quick the information is sent / received; and

2. The delay it takes to notify everyone, i.e. which parties receive the information in which order.

The Workgroup agreed there is a need to clarify the timing and to whom the warnings / alerts etc. is issued to in the first instance.

NGESO has confirmed that there is no electronic messaging; such as emails or SMS text messages or recorded voice-messages; that is sent externally from NGESO (except those sent to Elexon, for onward publication on BMRS). The Proposer noted this confirmation from NGESO and was to consider how this could be set out in the solution; such as by placing an obligation on NGESO to not send any electronic messaging; such as emails or SMS text messages or recorded voice-messages; in relation to any warnings / alerts etc., either internally or externally except to Elexon (for onward publication on BMRS).

The information provided by NGESO to Elexon is currently sent via an electronic data channel. The Workgroup members suggest opening the information sent between NGESO and Elexon, via the electronic data channel, and having this available to market participants.

The Workgroup reviewed the full table provided by the Proposer and looked into every possible warning / notification, if the warning is already sent to BMRS then the consensus from the Workgroup is for NGESO and Elexon to explore the option of speeding up the timings of notifications.

It was brought to the Proposers attention that the Voltage Control DNO warnings have a potential impact to BSC, the proposer agreed he would raise a modification with the BSC to reflect any change needed.

1. **Analysis required to support GC109**

A Workgroup member has agreed to consider how NGESO currently distributes notifications and the methods used to do so. This will then give the Workgroup further background on how the circulation of warnings / alerts etc, to other market participants can be included for the information.

NGESO has confirmed that there is no formal electronic messaging that is sent within NG (ESO, TO or Group) when warnings / alerts etc., are issued.

A Workgroup member suggested that a system may need to be changed to have the ability to communicate warnings / alerts etc, and the Proposer agreed to take this offline and look into this.

A question was raised as to whether BMRS can ‘push’ information out to market participants. The Elexon representative confirmed that BMRS can ‘pull’ data and can establish a data push service to market participants, this would require the participant to have a system set up to receive this information and translate it into a readable format.

An action was put on NGESO to go away and check on the warnings, alerts etc., that go out and check what texts / emails may go out; and consider the access into BMRS and extending the contact list.

The Workgroup reviewed the table provided by the Proposer (which can be found in Annex 5) to understand if each element is applicable to the Grid Code. The Workgroup then considered what the current communication channel is and if it can be expanded to add in more market participants. The Proposer agreed to take the table offline and provide further feedback at the next Workgroup meeting.

The Workgroup discussed that Voltage Control actions undertaken by DNO’s that were not instructed by NGESO may need to be sent out to market participants from NGESO. The reasoning behind this is the DNO’s do not have the relationship or contact details of all market participants.

NGESO have started discussions with the Information Services team within National Grid and they have positively received the potential change required for GC0109, further analysis work is required on what is needed to be changed and what the Workgroup would want NGESO to do to change the systems. NGESO confirmed that other than the current methods of communication, no other methods are used within National Grid.

1. **Review the Authority’s letter decision on Urgency**

The Proposer has acknowledged the letter from Authority, and feels it is still appropriate the Workgroup continues with GC0109 Modification. NGESO raised a view to the Workgroup around working outside of the Modification process to achieve the outcome desired by the Proposer. By majority the Workgroup felt it was still required that the Open Governance method is followed and GC0109 is still worked on. The Proposer felt that codifying this modification seems the best way forward, but agreed that the approach needs to maintain flexibility. The Proposer highlighted that without this modification becoming codified then market participants do not legally have to oblige with any instruction. NGESO highlighted that by not following the Code Governance approach this modification could potentially be quicker depending on what is specified by the Workgroup.

1. **Electronic Communication Channels**

The Workgroup discussed the different methods of communication as without the solution being designed it is difficult to understand which method could be changed. The discussed methods of communication are; Emails, Texts, SMS, Voice Messaging, Voice Alerts, Website, Social Media (Tweets, Snapchat, Instagram), Skype messaging, Instant messaging. It was agreed once a solution has been thought of, the respective method of communication could then be looked at changing.

1. **Solution Discussion / Information Systems exploration including preferred solution options**

The Proposer went through the slides to highlight what this modification is looking to achieve.

Following review of the slides ‘GC109 Options Analysis’ available in Appendix XX there was discussion around the third bullet point on slide 5 - *We would not pass on notifications of actions taken by DNOs, not in our control*

The Proposer requested that all market participants should be notified of all communications including any notifications of actions taken by the DNOs.The proposer felt that if all market participants are not notified at the same time, there may be market influence to the detriment of the smaller players in the market.

There was discussion about how best this could be fulfilled with an action being placed on several workgroup members to consider how this could be delivered.

The Workgroup reviewed the slides provided by Elexon available in Appendix XX with regards to the BMRS Options.

Key discussions included:

* Who was in the best position within the industry to notify parties of the warnings issued, with the workgroup concluding that this will be National Grid. Further discussion focused on who National Grid should notify – Elexon or market participants directly. This will be further explored in subsequent meetings and the workgroup consultation
* What the meaning of timely is for ‘timely notifications’. The Proposer felt that as soon as the original recipient receives a notification the wider industry should be notified. There was a discussion around the different methods of communication as some may be verbal. All verbal communications are followed up with electronic notification. The Proposer concluded that the electronic communication can be issued to the wider industry as soon as possible.
* The BRMS options:
  1. Simplified option to continue with existing interfaces, extending it to further notifications
  2. An enhanced service to include new interfaces with different types of warnings, single landing page, searchability
  3. An enhanced plus option which forwards all notifications to the industry before its processing by Elexon.

The simplified option has potential to be implemented sooner than the enhanced service and could incur lower costs. The workgroup concluded that the workgroup consultation should explore which option was favoured by the industry.

* Business as Usual (BAU) notifications were requested to be split out from warning notifications. An action was taken by two workgroup members to review the table to ensure it is appropriate to be issued to workgroup consultation.
* Cross code impacts were identified A BSC change proposal will be raised to complete the impact assessment of the changes to cover costs and achievability. The warnings currently issued are defined within the BSC therefore a modification or a further change proposal may be required if the list is extended

Actions:

* GG and AM to consider DNO notifications
* TT and NR to consolidate the system warnings table

Workgroup Consultation Questions

The GC0109 Workgroup is seeking the views of Grid Code Users and other interested parties in relation to the issues noted in this document and specifically in response to the questions highlighted in the report and summarised below:

Relevant Objectives

|  |  |
| --- | --- |
| Impact of the modification on the Applicable Grid Code Objectives: | |
| Relevant Objective | Identified impact |
| **To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity** | Neutral |
| **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)**  The proposed solution will facilitate competition in the generation and supply of electricity ensuring that all market participants have equal and timely access to information of relevance to the market | Positive |
| **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** | Neutral |
| **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**  The EU Third Energy Package legislation supports equal access to information which benefits the market in electricity and increases competition which results in lower end consumer costs and thus maximising social welfare (which is in conformance with the Electricity Regulation).  This proposal ensures openness and transparency around the Warnings etc., that are available to market participants. Without full visibility of this information some market participants will be placed at a disadvantageous positon compared to others.  Furthermore, this modification ensures GB compliance with EU legislation in a timely manner and does so in a way that is not more stringent than EU law permits. | Positive |
| **To promote efficiency in the implementation and administration of the Grid Code arrangements**  The publication either in a single location (BMRS) or via a set means of electronic notification channel – such as email or text/SMS - of the various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s) will help market participants to find this important information, without the need to source it from differing locations within numerous websites / channels (for each of the parties concerned). Therefore, this proposal will promote the efficiency in the implementation and administration of the Grid Code arrangements. | Positive |

Implementation

**Proposer’s initial view:**

The view of the Proposer was that GC0109 would require *…..insert what view was (e.g. minimal system changes as the change would not change any billing systems as demand zones will stay the same. National Grid will need to implement changes to the DCLF model and the code within the model which does require expert Excel knowledge and testing).* As per the timetable on Page 2 of this Report, the implementation of this Proposal will take place 2 working days after the Authority have provided its decision.

This modification should be implemented at the earliest practical opportunity and, ideally, before winter (October) 2018.

Legal Text

Not yet agreed

Annex 1 - Legal Text

Annex 2 – Terms of Reference

Annex 3 – Attendance Register

A – Attended

X – Absent

O – Alternate

D – Dial-in

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| --- | --- | --- | --- | --- | --- | --- |
| **Name** | **Organisation** | **Role** | **03 December 2018** |  |  |  |
| Garth Graham | SSE | Proposer | D |  |  |  |
| Simon Sheridan | NGET (MBD) | NGET Representative | A |  |  |  |
| Michael Preston | Nordex UK Ltd | Workgroup member | X |  |  |  |
| Tim Truscott | NGET (ENCC) Operate the System | Workgroup member | D |  |  |  |
| Paul Youngman | Drax Power Ltd | Workgroup member | X |  |  |  |
| Joshua Logan | Drax Power Ltd | Alternate Member | D |  |  |  |
| Andrew McLeod | Nothern Powergrid | Workgroup member | D |  |  |  |
| Nick Rubin | Elexon | Workgroup member | D |  |  |  |
| Thomas Derry | BritNed | Workgroup member | D |  |  |  |
| Manisha Javer | NG Ventures | Workgroup member | D |  |  |  |

**Annex 4 – Authority Letter**



1. So would not need to be ‘re-published’ per se although for completeness it may be appropriate to include the obligation(s) with respect to publication etc., within this proposal to ensure the current publication of the item(s) cannot be halted / amended etc., except via an open and transparent process. [↑](#footnote-ref-1)
2. 1 So would not need to be ‘re-published’ per se although for completeness it may be appropriate to include the obligation(s) with respect to publication etc., within this proposal to ensure the current publication of the item(s) cannot be halted / amended etc., except via an open and transparent process.

   <http://eur-ex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0015:0035:EN:PDF> [↑](#footnote-ref-2)
3. <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011R1227&from=EN> [↑](#footnote-ref-3)