Dear Industry members

Following the Authority approvals and consultation on modifications <u>GSR016</u> 'Small and Medium Embedded Generation Assumptions', <u>GSR018</u> 'Treatment of Sub-Synchronous Oscillations SSO in the NETS SQSS', <u>GSR023</u> 'Clarification of the N-1-1 Requirements and minor housekeeping change' and <u>GSR024</u> 'National Grid Legal Separation Changes'

Version 2.4 of the SQSS was due to take effect from today's date.

Please note that the Transmission Licence will be updated to reflect this version on the **17 May 2019.** The Authority have outlined their position with regard to version 2.4 below and we have uploaded a clean version 2.4 along with the email below to our website page today based on this guidance received.

Kind regards

Chrissie Brown

Framework Officer Code Administrator nationalgridESO

Faraday House Gallows Hill Warwick CV34 6DA

Dear all,

The Authority's decision to modify the electricity transmission licence to reflect SQSS v2.4 was published on 21st March 2019 and will take effect on 17 May 2019. The changes made to the SQSS as part of the v2.4 update were those required to reflect the new arrangements following the separation of the electricity system operator (ESO) functions from National Grid Electricity Transmission. As the separation of the ESO will take effect formally on 1 April 2019 there will be a short period from 1 April until 17 May where v2.3 of the SQSS will continue to be in effect but this version does not reflect accurately the new ESO arrangements.

As a consequence of this period from 1 April until 17 May where v2.3 of the SQSS will continue to be in effect, the SQSS administrator has requested Ofgem to:

- 1. Provide the SQSS administrator with comfort that it may publish v2.4 ahead of the date at which the electricity transmission licence modification takes effect.
- 2. Clarify to licensees that the standards contained in v2.4 of the SQSS should be used from 1 April, despite the electricity transmission licence modification not being effective until 17 May.

This email is intended to satisfy this request.

On point (1): we would be pleased if the SQSS administrator could publish SQSS v2.4 ahead of the effective date of the electricity transmission licence modification. If

the administrator considers it to be helpful, this could be supported with appropriate explanatory text alongside v2.4.

On point (2): although the relevant modifications to the electricity transmission licence will not come into effect until 17 May 2019, the modifications have been consulted upon and a direction has been made. We believe that there is a qualified level of certainty that the electricity transmission licence will be updated soon to show that v2.4 will be the new standards to apply. Moreover we believe the changes made by v2.4 have a minimal impact on the operations of most licensees other than NGESO and NGET. We understand that licensees could raise concerns related to complying with the electricity transmission licence obligations (for example, in using SQSS v2.4 when their licence specifies v2.3). In such cases we would refer licensees to Ofgem's Enforcement Guidelines. The guidelines specify clearly Ofgem's criteria and process for deciding whether to open enforcement cases.

Please don't hesitate to be in contact should you require any further clarification related to this email.

Best regards,

Grendon Thompson

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