

<u>Guidance on the use of this Template:</u> Please complete all sections unless specifically marked for the Code Administrator. Green italic text is provided as guidance and should be removed before submission. <u>Contact us:</u> The Code Administrator is available to help and support the drafting of any modifications, including guidance on completion of this template and the wider modification process. If you require any advice on how to fill in this form please contact the Panel Secretary e-mail: grid.code@nationalgrid.com

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#### Timetable

The Code Administrator recommends the following timetable:	
Presented to Panel	25 April 2019
Initial consideration by Workgroup	May 2019
Workgroup Report presented to Panel	30 July 2019
Code Administration Consultation Report issued to the Industry	August 2019
Draft Final Modification Report presented to Panel	26 September 2019
Modification Panel decision	26 September 2019
Final Modification Report issued to the Authority	11 October 2019
Expected Authority Decision	29 November 2019
Decision implemented in Grid Code	18 December 2019



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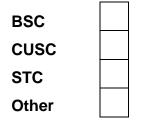
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#### Proposer Details

Details of Proposer:	Rachel Woodbridge-Stocks	
(Organisation Name)	National Grid ESO	
Capacity in which the Grid Code Modification Proposal is being proposed: (e.g. CUSC Party)	Electricity System Operator	
Details of Proposer's Representative:		
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Attachments (Yes/No): No		
If Yes, Title and No. of pages of each Attachment:		

# Impact on Core Industry Documentation.

Please mark the relevant boxes with an "x" and provide any supporting information



(Please specify)

This is an optional section. You should select any Codes or state Industry Documents which may be affected by this Proposal and, where possible, how they will be affected.

## 1 Summary

**Mandatory for the Proposer to complete** Please provide a summary of the modification proposed – i.e. **what** is the identified defect/change in the existing code that needs to be rectified, **why** this change needs to be made, and **how**.

#### Defect

The <u>Emergency and Restoration Code (E&R)</u> requires the Electricity System Operator to create a <u>System Defence Plan (SDP)</u>, which National Grid ESO produced and consulted on in September 2018. There are requirements on storage providers and SGUs in the SDP that are not currently in the Grid Code and so the two need to be aligned for transparency.

The SDP needs to be implemented by 18 December 2019 so this modification will need to be in the Grid Code by the same date.

#### What

This modification proposes to align E&R, the SDP and the Grid Code.

#### Why

This modification needs to progress to ensure the sections of the SDP that need to be implemented by 18 December 2019 meet those timescales.

#### How

In coordination with Article 15(3) of E&R, section 3.1.6 of the SDP specifies that:

Energy Storage systems taking energy are required to automatically switch to generating mode or where it is not capable of doing this must automatically disconnect before the activation of Low Frequency Demand Disconnection Scheme.

In coordination with Article 21(1b) of E&R, section 4.6.3 of the SDP specifies that:

The NETSO shall be entitled to request assistance for active power from SGUs which do not already provide a balancing service. Upon request from the NETSO any SGU shall make available all its active power, conforming to its technical constraints. The NETSO may only do this after it has activated all balancing energy bids available.

This is not currently in the Grid Code so it will be added.

#### 2 Governance

#### **Justification for Normal Procedures**

Normal Governance procedures should apply as there will be a material impact on storage providers and SGUs.

There is no need for this modification to be treated as urgent as it does not need to be implemented until 18 December 2019 and the Normal Governance timescales will be able to achieve this.

#### **Requested Next Steps**

This modification should:

• be assessed by a Workgroup

It is recommended that a workgroup be formed to fully understand the consequences of these changes for SGUs and storage providers and to ensure that the technical solution is developed to allow minimum disruption for these parties.

## 3 Why Change?

This Proposal is one of a number of Proposals which seek to implement relevant provisions of a number of new EU Network Codes/Guidelines which have been introduced in order to enable progress towards a competitive and efficient internal market in electricity. The full set of EU network guidelines and codes are;

- Regulation 2015/1222- Capacity Allocation and Congestion Management (CACM) which entered into force 14 August 2015;
- Regulation 2016/1719 Forward Capacity Allocation (FCA) which entered into force 17 October 2016;
- Regulation 2016/631- Requirements for Generators (RfG) which entered into force 17 May 2016;
- Regulation 2016/1388 Demand Connection Code (DCC) which entered into force 7 September 2016;
- Regulation 2016/1447 High Voltage Direct Current (HVDC) which entered into force 28 September 2016;
- Transmission System Operation Guideline (SOGL) which entered into force 14 September 2017; and
- Regulation 2017/2196 Emergency and Restoration (E&R) which entered into force 18 December 2017.

The Regulation establishing a Network Code on Emergency and Restoration entered into force on 18 December 2017. The Emergency and Restoration Network Code sets out rules relating to the management of the electricity transmission system in the emergency, blackout and restoration states. The main objective of the relevant rules is to bring the system back to the normal state as quickly and efficiently as possible.

### 4 Code Specific Matters

*Mandatory for the Proposer to complete.* Please provide any specialist information (that is Code-specific), such as technical skillsets required and any reference documents.

#### **Technical Skillsets**

Appreciation of the SDP and E&R.

#### **Reference Documents**

Emergency and Restoration Code:

https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32017R2196&from=EN

Emergency and Restoration consultation documents (including the System Defence Plan):

https://www.nationalgrideso.com/codes/european-network-codes/meetings/emergencyand-restoration-consultation

## 5 Solution

#### Storage providers

E&R Article 15(3):

Prior to the activation of the automatic low frequency demand disconnection scheme, each TSO and DSO identified pursuant to Article 11(4) shall foresee that energy storage units acting as load connected to its system:

(a) automatically switch to generation mode within the time limit and at an active power set-point established by the TSO in the system defence plan; or

(b) when the energy storage unit is not capable of switching within the time limit established by the TSO in the system defence plan, automatically disconnect the energy storage unit acting as load.

SDP clause 3.1.6:

Energy Storage systems taking energy are required to automatically switch to generating mode or where it is not capable of doing this must automatically disconnect before the activation of Low Frequency Demand Disconnection Scheme.

This requirement will be added to OC9 of the Grid Code.

#### Active Power Requirements on SGUs

E&R Article 21 (1b):

In case of absence of control area adequacy in the day-ahead or intraday timeframe, identified pursuant to paragraphs 1 and 2 of Article 107 of Regulation (EU) 2017/1485,

and prior to any potential suspension of market activities pursuant to Article 35, a TSO shall be entitled to request assistance for active power from any SGU connected in its LFC area, which does not already provide a balancing service to the TSO, and which, upon the TSO request, shall make available all its active power, conforming to its technical constraints.

Clause 4.6.3 of SDP:

The NETSO shall be entitled to request assistance for active power from SGUs which do not already provide a balancing service. Upon request from the NETSO any SGU shall make available all its active power, conforming to its technical constraints. The NETSO may only do this after it has activated all balancing energy bids available.

This will be incorporated into OC9 of the Grid Code.

#### 6 Impacts & Other Considerations

Under the proposals for GC0096 (Storage) Owners of storage facilities will be treated as Generators. It is therefore suggested that Generators who own and/or operate storage equipment who are caught by the requirements of the GC0096 proposals would also be affected by this modification as their equipment would be treated as an SGU. In addition, BM parties (including Aggregators) who are caught by the requirements of the Grid Code, would also be considered to be within the scope of these proposals.

# Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No.

#### **Consumer Impacts**

This change will facilitate the implementation of the EU Emergency and Restoration code which helps to facilitate a harmonised electricity system as part of the package of European Network Codes, and will help to deliver and facilitate a significant benefit to the end consumer by ensuring a coordinated security of supply across GB and Europe.

## 7 Relevant Objectives

#### Impact of the modification on the Applicable Grid Code Objectives:

Relevant Objective	Identified impact
(a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity	Neutral

(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);	Neutral
<ul> <li>(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;</li> </ul>	Positive (The ability to request assistance from SGUs and incorporating storage into system defence will allow for additional system security)
(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	Positive (Discharges the obligations of the Emergency and Restoration code into GB frameworks)
(e) To promote efficiency in the implementation and administration of the Grid Code arrangements	None

## 8 Implementation

The SDP must be implemented by 18 December 2019 (2 years after E&R entered into force), therefore this modification must also by implemented by 18 December 2019.

## 9 Technical Solution

To be developed in the Workgroup.

## **10 Recommendations**

## **Proposer's Recommendation to Panel**

Panel is asked to:

- Agree that Normal governance procedures should apply; and
- Refer this proposal to a Workgroup for assessment.