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Terms and Conditions related to Emergency and Restoration EU Network Code (amended proposal)

Dear Leonardo,

In accordance with *COMMISSION REGULATION (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (NCER)*, the Transmission System Operators (TSO) of a member state are required to submit the following proposals to the relevant regulatory authority;

- the terms and conditions to act as a Defence Service Provider on a contractual basis in accordance with Article 4;
- the terms and conditions to act as Restoration Service Providers on a contractual basis in accordance with Article 4.

This obligation was assigned to National Grid as National Electricity System Operator (NGESO) in the TSO allocation dated 10 January 2018¹.

National Grid ESO has submitted two proposals for NCER Article 4(4) on 18 December 2018 and 19 August 2019 which were both sent back by Ofgem requesting amendments to the proposals. The latter proposal could not be approved until broad references in the mapping are replaced by detailed references to specific provisions of the Grid Code. Additionally, Ofgem requested the ESO to define the possibility of and conditions for aggregation of the defence and restoration service providers to be resubmitted. Based on the feedback from the second consultation the terms “Restoration Service Provider”, “Defence Service Provider” and “Significant Grid User” have been replaced by “GB parties”.

The Terms and Conditions together with the mapping have been amended to include detailed references to the specific provisions of the Grid Code. Defence and Restoration Services are any of the measures included in the System Defence Plan and System Restoration Plan. These services are used in a normal state and where instructed, in a restoration state. The terms Restoration Service Provider and Defence Service Provider are not defined in the Grid Code, however, they are existing services which are detailed in the System Defence Plan and System Restoration Plan. Characteristics of the services used by NGESO in a Defence or Restoration state are contained in

¹ <https://www.ofgem.gov.uk/publications-and-updates/minded-decision-assignment-tso-obligations-under-three-eu-network-codes>

BC1, BC2, BC3, OC6, OC7, OC9 and CC/ECC.6 sections of the Grid Code. Detailed Grid Code references for the services have been included in Table 1 in Annex A. Where there is any conflict between this document and the Grid Code, the Grid Code shall take precedence.

National Grid has an obligation under the Grid Code to ensure that the National Electricity Transmission System can be re-energised in the event of a total or partial system shutdown. Should a total or partial shutdown occur anywhere on the National Electricity Transmission System, contingency arrangements must be in place to enable a timely and orderly restoration of supplies.

The need to contract for Black Start at an individual location will largely be driven by current arrangements at other nearby power stations or HVDC Systems, the expected longevity of such contracts and the implications involved in improving system restoration. NGESO sets out its approach to determining and procuring an economic and efficient level of Black Start Service provision on an ongoing basis in accordance with its Transmission License. Restoration Service Providers will be expected to comply with the terms of the Standard Contract Terms referenced in Annex 1. NGESO is currently developing both new and existing Balancing Services products to best meet the needs of the electricity network, and Standard Contract Terms will be updated as these changes are introduced.

In taking this approach to the proposal for the Terms and Conditions related to NCER, we are following the principle set out in Ofgem's open letter of 18 December 2014 ([Implementing the Electricity EU Network Codes](#)), to only make changes to the existing framework where necessary to ensure compliance with the new Regulation. Our proposal is that the Terms and Conditions continue to be held in the existing frameworks and that updates required for European Network Code compliance and organic industry led changes are reflected within them. Table 1 in Annex A is provided to help show that the existing Terms and Conditions for GB parties meet, and are compliant with, the requirements of Commission Regulation (EU) 2017/2196 (E&R) Article 4(4). Any additional measures necessary to satisfy the requirements of the NCER will be through modifications to the Industry Codes.

This proposal is expected to have a positive impact on the objectives of NCER as, through the requirements of the Transmission License, The Grid Code and our contractual obligations, is an objective for compliance with "the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency".

If you have any queries regarding this proposal, please contact Rob Wilson on Robert.Wilson2@nationalgrideso.com.

Yours sincerely,

Rob Wilson

Technical Codes Change Manager – National Grid Electricity System Operator

Annex 1

Mapping of E&R Article 4(4) Terms and Conditions requirements to the existing GB Electricity Market frameworks and existing Standard Contractual Terms

Please note: The terms and conditions for GB parties are provided within the CUSC and Grid Code. This table provides mapping to all the obligatory requirements set out in Article 4(2)

Article	Text	Code	Comments
4(4)(a)	The terms and conditions to act as defence service provider and as restoration service provider shall be established either in the national legal framework or on a contractual basis. If established on a contractual basis, each TSO shall develop by 18 December 2018 a proposal for the relevant terms and conditions, which shall define at least: (a) the characteristics of the service	<u>Restoration services:</u> <u>Re-energisation procedure – OC.9.2.5, OC.9.4.7</u> <u>Re-synchronisation procedure OC9.4.7, BC2.9.2.2(iii))</u> <u>Frequency deviation management – BC3.4, BC.3.5, BC3.6, BC3.7 BC2.5.4,</u> <u>Black Start Service Contract Terms section 4.</u> <u>Black Start technical requirements and assessment criteria.</u>	<u>Grid Code</u> <u>BC1, BC2, BC3, OC6, OC7, OC9, CC/ECC.6</u> <u>Restoration services are any of the measures included in the System Restoration plan.</u>
		<u>Defence services:</u> <u>Re-energisation procedure – OC.9.2.5, OC.9.4.7</u> <u>Re-synchronisation procedure OC9.4.7, BC2.9.2.2(iii))</u> <u>Frequency deviation management – BC3.4, BC.3.5, BC3.6, BC3.7 BC2.5.4,</u> <u>Fast Start- CC/ECC.6.3.14</u> <u>Limited Frequency Sensitive Mode- ECC.6.3.7.1, ECC.6.3.7.2, BC3.7.2</u> <u>Low Frequency Demand disconnection– CC/ECC.6.4.3, CC/ECC.A.5, OC6.5, OC6.6</u>	<u>Defence services are any of the measures included in the System Defence plan.</u> <u>These services are used in a normal state to keep the voltage and frequency within system limits and where instructed in a restoration state.</u>

	to be provided;	<p><u>Over Frequency control- ECC.6.3.7.1, ECC.6.3.7.3, BC.3.7.1, BC.3.7.2</u></p> <p><u>Frequency deviation management- BC3.4, BC.3.5, BC3.6, BC3.7, CC/ECC.6.3.3, CC.6.3.7(a), ECC.6.3.7.3, CC.6.3.6(a)/ECC.6.3.6, CC/ECC.6.3.9, DRSC 5.1, DRSC 6.1, DRSC 7.1, BC.1.4.2, BC1. A.1.1, BC2.6.1, BC2.7, BC.2.9, OC7.4.5, OC6.7, OC6.5, OC.10,</u></p> <p><u>Voltage deviation management- CC/ECC.6.1.4, CC/ECC.6.3.2, CC.6.3.6(b), ECC.6.3.6.3, ECC.6.4.5, BC2.8, BC2. A.2, DRSC.5,</u></p> <p><u>Power flow management- CC.6.3.7(a), ECC.6.3.7.3.1, CC/ECC.6.3.9, BC.1.4.2, BC1.5.5, BC1.7, BC1. A.1.1, BC.2.6.1, BC2.7, BC2.9, OC7.4.5, OC6.7, OC10, DRSC 5.1,</u></p> <p><u>Assistance for active power- BC2.7, BC2.9. OC9.4, OC9.5, OC7.4.8</u></p> <p><u>Manual Demand disconnection- OC6.5, OC6.7, BC2.9</u></p> <p><u>Black Start Service Contract Terms section 4.</u></p> <p><u>Black Start technical requirements and assessment criteria.</u></p>	
4(4)(b)	(b) the possibility of and conditions for aggregation; and	<p><u>DRSC1, DRSC2, DRSC4</u></p> <p><u>ECC/CC 6.5</u></p> <p><u>BC1.4</u></p> <p><u>BC1. A.10</u></p> <p><u>BC2</u></p>	<p><u>Providers who are also CUSC Parties can offer services listed in (a) above on an individual or collective basis following prequalification for respective services</u></p>

			<u>and in accordance with the terms of their Ancillary Services agreement.</u>
		<u>BSC</u> <u>K3.3, K8, S6.2, S6.3 and S11</u>	<u>For services provided in the BM</u>
4(4)(c)	(c) for restoration service providers, the target geographical distribution of power sources with black start and island operation capabilities.	Transmission License Special Condition 4G- Black start strategy and procurement methodology.	<p>Special Condition 4G doesn't place obligations on NGESO to achieve a geographical distribution of Black Start capabilities.</p> <p>As a prudent System Operator, our Black Start Strategy, agreed with Ofgem annually, divides the country into six zones and NGESO aims to procure up to three services in each zone.</p> <p>The planning assumption for the minimum service level is set at 24 hours for 60% of the national demand to be restored.</p>