

6 April 2020

GB code change process related to Emergency and Restoration EU code

Dear Ofgem,

In accordance with *COMMISSION REGULATION (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (referred to as NCER)*, TSOs are required to follow a specified process when consulting stakeholders and competent authorities on proposals subject to approval in accordance with Article 4(2)(a), (b), (e), (f) and (g) as set out in Article 7 of NCER.

Article 7 of NCER stipulates that the consultation relating to Article 4(2)(a), (b), (e), (f) and (g) proposals must last for a period of not less than one month. The TSO is required to take into account the views of the stakeholders resulting from the consultations prior to the submission of the draft proposal. In all cases, a sound justification for including or not including the views of the stakeholders shall be provided and published in a timely manner before, or simultaneously with, the publication of the proposal. There are slight differences in this process as compared to the existing GB code change processes which do not require a specific minimum consultation period, and do not explicitly set out that justification for including or not the views of stakeholders resulting from the consultation which are required to form part of a submission for approval (although in fact this would generally be the case).

In Ofgem's¹ "Minded to decision assignment of TSO Obligations under the EU Network Codes" dated 10th January 2018², the obligations to develop the above rules and proposal was assigned to National Grid in its role as Electricity System Operator (NGESO).

¹ The terms "the Authority" and "Ofgem" are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority (the Authority).

² <https://www.ofgem.gov.uk/publications-and-updates/minded-decision-assignment-tso-obligations-under-three-eu-network-codes>

NGESO has submitted the following proposals referenced in Article 7 for approval by Ofgem:

- i. the [terms and conditions](#) to act as defence service providers on a contractual basis in accordance with NCER article 4 paragraph 2 (a);
- ii. the [terms and conditions](#) to act as restoration service providers on a contractual basis in accordance with NCER article 4 paragraph 2 (b);
- iii. the [rules for suspension and restoration](#) of market activities in accordance with NCER article 4 paragraph 2 (e) ;
- iv. [specific rules for imbalance settlement](#) and settlement of balancing energy in case of suspension of market activities, in accordance with NCER article 4 paragraph 2 (f);
- v. the [test plan](#) in accordance with NCER article 4 paragraph 2(g).

The above proposals include references to the Black Start Strategy, Black Start procurement methodology, Grid Code and BSC and therefore a minor alignment of the GB code change process is required .

The change process for the approved NCER Rules for suspension and restoration of market activities and Rules for imbalance settlement in case of suspension of market activities as required under Article 4(2) paragraphs (e) and (f)) will follow the change process outlined in the Regulation (EU) 2017/2195 establishing a guideline on electricity balancing (EBGL) for Article 18 Terms and Conditions, instead of the approval consultation process under Article 7 of the NCER. Code process changes for EBGL are already in progress (as Grid Code modification proposal GC0132 and BSC modification proposal P392).

NGESO will need to raise further Grid Code modifications to ensure the change process aligns with the obligations under NCER Article 7. We aim to raise the code modifications to achieve this as soon as:

- the [GC0132](#) and [P392](#) modifications have been approved to avoid difficulties in establishing legal text that will use the same baseline and, for the Grid Code change, to avoid having to raise parallel sets of legal text for each of the alternatives to GC0132 that have also been proposed by stakeholders
- the NCER proposals have been approved by Ofgem, which will allow confirmation of the referenced areas within the GB frameworks.

In the interim, this letter is confirmation that once the above proposals are approved by Ofgem, code changes will follow the amendment process outlined in the NCER when updating the provisions set out in NCER Article 4(2)(a), (b), (e), (f) and (g), which are as follows:

European Regulation (EU) 2017/2196 Reference	Grid Code Reference
4(2)(a)- Terms and Conditions for restoration providers	OC.9.2.5,

	OC.9.4.7, BC.2.9.2.2(iii)), BC.3.4, BC.3.5, BC.3.6, BC.3.7, BC.2.5.4 Black Start Strategy, Black Start Procurement methodology
4(2)(b)- Terms and Conditions for defence providers	BC.1.4, BC.1.4.2, BC.1.7, BC.1.5.5, BC.1. A.1.1, BC.1. A.10 BC.2, BC.2.5.4, BC.2.6.1, BC.2.7, BC.2.8, BC.2.9, BC.2. A.2, BC.3.4, BC.3.5, BC.3.6, BC.3.7, BC.3.7.1, BC.3.7.2, CC.6.3.6(a), CC.6.3.6(b), CC.6.3.7(a), CC/ECC.6.1.4, CC/ECC.6.3.14, CC/ECC.6.3.2,

	CC/ECC.6.3.3, CC/ECC.6.3.9, CC/ECC.6.4.3, CC/ECC.6.5, CC/ECC.A.5, DRSC 1, DRSC 2, DRSC 4, DRSC 5, DRSC 5.1, DRSC 6.1, DRSC7.1, ECC.6.3.6, ECC.6.3.6.3, ECC.6.3.7.1, ECC.6.3.7.2, ECC.6.3.7.3, ECC.6.3.7.3.1, ECC.6.4.5, OC.10, OC.6.5, OC.6.6, OC.6.7, OC.7.4.5, OC.7.4.8, OC.9.4, OC.9.5
4(2)(e)- Rules for suspension and restoration of market activities, 4(2)(f)- Imbalance settlement and settlement of balancing energy	OC.2.9.6, OC.7.4.8, OC.9 OC.9.1, OC.9.3.2, OC.9.4, OC.9.4.1, OC.9.4.6,

	OC.9.4.7.3, OC.9.4.7.5, OC.9.4.7.9, BC.1.4.5, BC.2.6.4, BC.2.6.5, BC.2.9.6, BC.2.9.7, BC.4.9, STC- STCP 06-1
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With the exception of the Rules for market suspension and imbalance settlement (per Article 4.2(e) and (f)) mapped to the BSC, NGESO will ensure that the aligned code change process for NCER proposals as set out in this letter will be adhered to until such time as the code process elements referenced in Article 7 are encoded into the GB electricity codes and other relevant documents.

We will communicate these interim requirements to all stakeholders to ensure their awareness and of these amendments to the code change process which will apply from the date that Ofgem approve the NCER proposals.

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

Yours sincerely,

Rob Wilson

Technical Codes Change Manager – National Grid Electricity System Operator