

## Consultation on EBGL Article 18 process in relation to GC0143 – Last resort disconnection of Embedded Generation



# Contents

## Table of Contents

Contents .....	1
Summary.....	2
Introduction .....	3
GC0143 modification summary and consultation .....	4
<b>Consultation questions</b> .....	5
<b>Next steps</b> .....	5
Appendix 1 - Response Proforma Contents .....	6
Response Pro-forma.....	6
Consultation Questions.....	6

# Summary

## **GC0143: Last resort disconnection of Embedded Generation**

National Grid ESO (NGESO) is holding a confirmatory consultation for an amendment to the terms and conditions for balancing following the process as set out in article 18 of Regulation (EU) 2017/2195 establishing a guideline on electricity balancing (EBGL) and in relation to GC0143 – Last resort disconnection of Embedded Generation. This modification has already been approved and consulted on in line with GB framework requirements. The consultation opens on 19 May 2020 and will be open for one month. Details are contained herein.

The modification processes set out in EBGL were included in this European Network Code with the intention of ensuring that all member states met a certain minimum standard for engagement with stakeholders. For GB the changes are very minor, the main points being that stakeholders must be consulted on changes for a period of one month (standard consultations normally last at least 15 working days at present), and a prescribed requirement that as would normally happen at present, justification for acting on consultation responses (or not) will be included in any submissions to Ofgem.

Included within this document is a summary of GC0143 with the consultation questions and relevant proforma for responses also described within. The proforma for responses is available alongside this document. National Grid ESO is inviting responses, and the relevant dates for this EBGL consultation are as follows:

- National Grid ESO publishes and circulates consultation: 21 May 2020
- Consultation closes: 22 June 2020
- Report sent to Ofgem for consideration: 23 June 2020

For the avoidance of doubt, this is a one-off confirmatory consultation only for the purposes of compliance since GC0143 was progressed using urgency and therefore was consulted on for less than one month. This will ensure that once the EBGL article 18 process comes fully into effect on 25 June 2020, along with the approval of the balancing terms and conditions and the mapping of these to GB frameworks all as per Ofgem's decisions, this modification will have been through a compliant EBGL process.

As urgency had to be used for GC0143 due to the need to meet a pressing system need it is also another chance for stakeholders to input views on the proposal which will be of particular use in development of the enduring solution to this issue since the solution in GC0143 has a sunset clause that times out on 25 October 2020.

If you have any questions on this consultation, in the first instance please contact Robert Wilson at National Grid ESO ([Robert.wilson2@nationalgrideso.com](mailto:Robert.wilson2@nationalgrideso.com)).

# Introduction

## Electricity Balancing Guideline (EBGL)

The Electricity Balancing Guideline (EBGL) came into force at the end of 2017 after being established through the Third Energy Package European legislation. Article 18 of the EBGL stipulates that TSOs in EU member states should develop a proposal for a set of terms and conditions for balancing services that are sent to their regulator (Ofgem in GB) for approval. Articles 4, 5, 6 & 10 of the EBGL also stipulate rules for the process for amending terms and conditions for balancing, as well as submitting to the regulator for approval - in addition to the need for a public consultation for a minimum period.

## National Grid ESO Article 18 proposal and Ofgem decision

National Grid ESO developed a proposal for terms and conditions for which Ofgem granted conditional approval in October 2019. Due to the structure of the GB market, elements of the proposed terms and conditions are held in existing sections of the GB network codes.

As some of the terms and conditions are part of the GB network codes, proposals for change could be raised to those sections by any signatory of those codes. To ensure third parties could continue to raise modifications to change the affected sections of the GB codes, while still meeting the requirements of the EBGL change process, NGESO raised BSC mod P392, Grid Code modification GC0132, and CUSC modifications CMP322 & 323 to ensure the GB code modification procedures and EBGL change process were aligned. Ofgem's approval of the terms and conditions for balancing was conditional on the aforementioned code modifications being approved and implemented. Ofgem's decision letter can be found here: [Ofgem decision letter](#). They are due to be approved by 25 June 2020.

## Background to this additional EBGL consultation

The nature of the approval of the terms and conditions outlined above means that any modifications approved or due to be implemented between 4<sup>th</sup> August 2019 and 25 June 2020 may also need to undergo a consultation that meets the requirements of the EBGL where they amend sections of the GB codes that are mapped to the balancing terms and conditions, and in addition to any consultations that have already taken place through the GB code modifications process.

GC0143 falls into this scope.

# GC0143 modification summary and consultation

## Summary of [GC0143 - Last resort disconnection of Embedded Generation](#)

GC0143 was proposed by National Grid ESO and was submitted, with a request for the modification to be treated as urgent, to the Grid Code Review Panel (GCRP) for its consideration on 30 April 2020. The GCRP met at a Special meeting on 1 May 2020 to discuss the Proposal and urgency request. The Panel recommended, by majority, that the modification be treated as urgent. The Authority determined that the proposal should be treated as Urgent and follow the timeline recommended by the GCRP. The [letter](#) to the Authority from the GCRP and the [letter](#) from the Authority setting out the reasons for urgency are linked in the text.

GC0143 was implemented into the Grid Code on 7 May 2020 by the Code Administrator. The Final Modification Report can be found [here](#).

## Reason for change

This modification sets out that under emergency conditions and as a last resort the Electricity System Operator (ESO) may instruct a Distribution Network Operator (DNO) to disconnect embedded generators connected to its system. The requirement for this is due to the unprecedented societal changes brought about by the COVID-19 pandemic which has led to demands out-turning up to 20% lower than predicted.

This modification sought to clarify the existing arrangements to give confidence to all parties involved that – in the unlikely event of an emergency – they will be complying with their licences by fulfilling an Emergency Instruction, and to ensure a clear outcome with no ambiguity. ‘Demand Control’ EIs, where there is too little generation rather than this circumstance where there is too much, are more familiar to market participants although still extremely rare. Any EI is not a commercial process and does not have any routes to compensation for providers, but is used only when all other commercial options have been exhausted. In parallel with the development of the Grid Code modification, the ESO has been working with Distribution Network Operators (DNOs) to establish what form instructions could take and how they could be acted upon to minimise the impact on customers.

The existence of last resort Emergency Instructions does not affect existing commercial arrangements, and in this case the arrangements are also temporary. The Grid Code modification contains a sunset clause that expires in October 2020, and NGESO is committed to the development of more enduring arrangements through the normal industry processes with full engagement and consultation over the summer, with the intention of these being in place by Spring 2021.

## Implemented solution

The changes implemented give the ESO the clear and legally unambiguous ability to instruct DNOs to disconnect embedded generation in an emergency situation. This would only be pursued as a last resort if no further actions were available to the ESO either commercially or in the Balancing Mechanism (BM).

As part of the solution a sunset clause has been included which will time out the additions to the Grid Code in October 2020 if not further amended by this point. It is the intention that a more considered solution to the issues identified will be developed in the meantime, potentially by developing a roughly symmetrical arrangement to the existing demand control conditions contained in section OC6 of the Grid Code.

# Consultation questions

National Grid ESO is inviting responses to the following questions:

- 1) Do you agree that GC0143 as has been approved and implemented into the GB Grid Code should also amend the terms and conditions for balancing as set out in the Electricity Balancing Guideline (EBGL)? If so, please provide rationale.
- 2) Do you agree that the GC0143 modification is required as a last resort to avert disruption to security of supply of the GB Electricity Networks? If so, please provide rationale.
- 3) Do you have any other comments in relation to GC0143?

If parties wish to respond to this consultation, the proforma is available alongside this document. Completed proformas should be sent to [code.administrator@nationalgrideso.com](mailto:code.administrator@nationalgrideso.com).

## Next steps

The consultation closes on 22 June 2020. National Grid will review any responses received and will send a report to Ofgem for their consideration by 23 June 2020.

Please respond using the proforma. If you have any questions on this consultation however, in the first instance please contact Rob Wilson at National Grid ESO ([Robert.wilson2@nationalgrideso.com](mailto:Robert.wilson2@nationalgrideso.com)).

# Appendix 1 - Response Proforma Contents

## Response Pro-forma

National Grid Electricity System Operator (National Grid ESO) invites responses to this consultation by **22 June 2020**. The responses to the specific consultation questions (below) or any other aspect of this consultation can be provided by completing this proforma.

Please return the completed proforma to [code.administrator@nationalgrideso.com](mailto:code.administrator@nationalgrideso.com)

---

**Respondent:**

---

**Company Name:**

---

**Does this response contain confidential information? If yes, please specify**

---

## Consultation Questions

Question No.	Question	Response (Y/N)	Rationale/Comment
1	Do you disagree that GC0143 as has been approved and implemented into the GB Grid Code should also amend the terms and conditions for balancing as set out in the Electricity Balancing Guideline (EBGL)? If so, please provide rationale.		
2	Do you disagree that the GC0143 modification is required as a last resort to avert disruption to security of supply of the GB Electricity Networks? If so, please provide rationale.		
3	Do you have any other comments in relation to GC0143?		