

Trisha McAuley
Grid Code Panel Chair
c/o National Grid ESO

Direct Dial: 020 7901 7000

Email: industrycodes@ofgem.gov.uk

Date: 04 September 2020

Dear Trisha,

Authority decision to 'send back' Grid Code modification proposal 0133 'Timely informing of the GB NETS System State Condition' (GC0133)

We received the final modification report (FMR) for GC0133<sup>1</sup> on 11 May 2020, which was raised by SSE Generation Ltd (the Proposer). The modification aims to place a requirement on National Grid ESO (ESO)<sup>2</sup>, to inform market participants<sup>3</sup> – in a timely manner – of the System State<sup>4</sup> condition of the GB National Electricity Transmission System (NETS).

We have reviewed the proposed modification and are not able to properly determine this modification proposal based on the information submitted, and we direct that the FMR is revised and resubmitted. We are therefore sending the FMR back to the Grid Code Review Panel (GCRP) to address the issues we have identified below.

 $<sup>^{1} \ \</sup>underline{\text{https://www.nationalgrideso.com/industry-information/codes/grid-code-old/modifications/gc0133-timely-informing-gb-nets-system-state}$ 

<sup>&</sup>lt;sup>2</sup> As the Transmission System Operator (TSO) for GB.

<sup>&</sup>lt;sup>3</sup> This including generators, interconnectors and Distribution Network Operators (DNOs).

<sup>&</sup>lt;sup>4</sup> The system state describes the state the transmission system is currently in, based on criteria outlined under Article 18 of European Regulation (EU) 2017/1485: <a href="https://eur-lex.europa.eu/leqal-content/EN/TXT/?uri=CELEX%3A32017R1485">https://eur-lex.europa.eu/leqal-content/EN/TXT/?uri=CELEX%3A32017R1485</a>. For example, 'normal state' means a situation in which the system is within operational security limits currently, and will remain so after the occurrence of any contingency from the contingency list as created by the company, in accordance with European Regulation (EU) 2017/1485, taking into account the effect of any available remedial actions.

In particular, we consider that the FMR does not provide sufficient evidence on whether the modification would impact relevant objectives (a) and (c) of the Grid Code.

Generally, the evidence provided on the benefits of the code modification to market participants and stakeholders is incomplete, as it does not describe the underlying evidence on the benefits and/or costs of the modification. For example, while the proposal refers to the modification "improving wider industry communications," it does not demonstrate or provide evidence on how the modification would lead to those end benefits. There is also no description of the costs of this change, or the process the ESO would need to follow to provide this information in a way that would ensure commercially sensitive information is not released.

To enable us to make a decision on this modification proposal, we need more detailed information on how specific market participants could use the system state updates in practice, and a demonstration of what positive steps they could take upon receiving these updates. We also need additional information on the challenges of publishing this information as proposed by this modification.

One of the aims of this modification is to enable market participants to be aware of the condition of the NETS, to allow them to perform their work in a way that is conducive to supporting the ESO. We note that this modification does not however require the ESO to inform market participants of the reasons for the changes in system state.

We therefore direct the Panel to revise the FMR so that further analysis in respect of objectives (a) and (c) is included, setting out:

- 1. the benefits of the modification to market participants and stakeholders; and
- 2. the challenges to the ESO of providing this information, including the challenges of publishing the reasons for the changes of system state condition.

After addressing the issues discussed above, and revising the FMR accordingly, the GCRP should re-submit it to us for a decision as soon as practicable.

Leonardo Costa Senior Manager, SO/DSO

Signed on behalf of the Authority and authorised for that purpose