Modification process & timetable

Workgroup Consultation

•Workgroup Report •13 October 2020

•10 November 2020

•23 November 2020

Implementation1 April 2021

6

•16 September 2020 - 30 September 2020

•Code Administrator Consultation •23 October 2020 - 6 November 2020

Draft Final Modification Report

Final Modification Report

Proposal form

•15 July 2020

SQSS Workgroup Consultation

GSR027 - Review of the NETS SQSS Criteria for Frequency Control that drive reserve, response and inertia holding on the GB electricity system

Overview: The ESO needs to review, in consultation with the industry, the NETS SQSS requirements that drive reserve, response and inertia holding on the GB electricity system. This was a specific action from the Energy Emergency Executive Committee (E3C) and Ofgem final reports into the power outage of 9 August 2019.

Have 5 minutes? Read our Executive summary

Have 30 minutes? Read the full Workgroup Consultation document

Have 45 minutes? Read the full Workgroup Consultation document and annexes

Status summary: Workgroup Consultation. The Workgroup are seeking your views on the work completed to date to form the final solution(s) to the issue raised.

This modification is expected to have a: high impact on	National Grid ESO, Consumers (and consumer organisations)
This modification is expected to have a: medium impact on	Generators, Interconnectors, Network Operators
This modification is expected to have a: low impact on	Transmission Owner companies
Governance route	This modification will be assessed by a Workgroup and Ofgem will make the decision on whether it should be implemented.

Published on 16 September 2020 - respond by 5pm on 30 September 2020

Who can I talk to about the change?	Proposer: Robert Wilson, National Grid ESO robert.wilson2@nationalgrideso.com Phone: 07799 656402	Code Administrator Chair: Paul Mullen paul.j.mullen@nationalgrideso.com Phone: 07794 537028
How do I respond?	Send your response proforma to <u>box.sqss@nationalgrideso.com</u> by 5pm on 30 September 2020.	

Executive Summary

Actions from the Energy Emergency Executive Committee (E3C) and Ofgem final reports into the power outage of 9 August 2019 require the ESO to review, in consultation with industry, the NETS SQSS requirements for reserve, response and inertia holding on the GB electricity system.

The intention of modification GSR027 is to enable the development of the ESO's policy on reserve, response and inertia holding, to consider what level of risk should be mitigated and therefore what costs should be incurred and to enable the best value for money to be delivered for consumers.

What is the issue?

On 9 August 2019, there was a combined near-simultaneous loss of two large generators, as well as consequential losses of smaller distribution connected generators. These events caused a significant frequency disturbance and triggered the subsequent disconnection, loss of power and disruption to more than one million consumers. An action from the E3C and Ofgem reports into the incident required the ESO, in consultation with industry, to review reserve, response and inertia holding policies.

What is the solution and when will it come into effect?

Proposers solution – the Original:

Changes to the SQSS legal text to amend certain definitions and provisions for unacceptable frequency conditions, and to give standing to the Frequency Risk and Control Report (FRCR)	Create a Governance framework to set out a requirement for the ESO to develop a FRCR methodology and, in line with this, to periodically produce a FRCR in accordance with an agreed process. The FRCR methodology and FRCR should be regularly reviewed and updated in consultation with interested parties and will be subject to approval by the Authority
	Authority

Being produced to support these changes:

Creation of an illustrative FRCR Methodology to allow the reader to better understand the SQSS legal text, intended process and governance arrangements giving a feel for the practical application / implementation of the FRCR. *The ESO are not specifically seeking approval from Ofgem on this as part of GSR027; however, the ESO will be seeking comments on this illustrative methodology from Ofgem as part of their GSR027 decision.*

Other Potential Solutions based on Workgroup discussions to date:

• None at this time

Implementation date:

The proposed implementation date for the changes to the SQSS legal text and the Governance Framework to take effect is 1 April 2021.

To meet this date, GSR027 needs to be approved by Ofgem in December 2020 to allow enough time for the statutory consultation on the necessary licence changes to update the version of the SQSS with which licensees are required to comply.

What is the impact if this change is made?

This modification will impact National Grid ESO, Consumers (and consumer organisations), Generators, Interconnectors, Network Operators and Transmission Owners.

The impact of any power outage is widespread societal disruption. However, consumers will also ultimately pay for any enhancements to reserve and response holding requirements that could lessen the risk of such disruption. This modification seeks to find a way to balance cost and risk in an acceptable way to deliver the best value to consumers in an engaged and transparent way.

Interactions

No further code changes are thought to be necessary to progress this specific action from the Ofgem and E3C reports.

Workgroup Consultation Introduction

This document is the **GSR027 Workgroup Consultation**. This document outlines;

- What is the issue?
- What is the solution?
 - Proposer's solution
 - Workgroup considerations
- What is the impact of this change?
- When will the change taken place?
- How to respond
- Acronym table and reference material

The Workgroup is seeking views on the proposed Original and any alternative solutions. The questions it is seeking answers to are embedded within the document and outlined in the <u>How to respond</u> section.

What is the issue?

What is the issue?

On 9 August 2019, there was a combined near-simultaneous loss of two large generators, as well as consequential losses of smaller distribution connected generators. These events caused a significant frequency disturbance and triggered the subsequent disconnection, loss of power and disruption to more than one million consumers. An action from the E3C and Ofgem reports into the incident required the ESO, in consultation with industry, to review reserve, response and inertia holding policies. The specific actions that ESO need to address are set out below:

 E3C final report Action 5: The ESO, in consultation with industry, should undertake a review of the SQSS requirements for holding reserve, response and system inertia. This review should consider: the explicit impacts of distributed generation on the required level of security; whether it is appropriate to provide flexibility in the requirements for securing against risk events with a very low likelihood, for example on a cost/risk basis; and the costs and benefits of requiring the availability of additional reserves to secure against the risk of simultaneous loss events. Timing: The ESO should put forward modification proposals to the SQSS by April 2020.¹ Ofgem final report Ofgem final report 5.7. Action (1): The ESO, in consultation with the industry, should undertake a review of the SQSS requirements for holding reserve, response and system inertia. 5.7.1. This review should consider: the explicit impacts of distributed generation on the requirements for securing against risk events with a very low likelihood, for example on a cost/risk basis; and the costs and benefits of requiring the availability of additional reserves to secure against the risk of simultaneous loss events. Timing: The ESO should put forward modification proposals to the SQSS by April 2020.¹
 industry, should undertake a review of the SQSS requirements for holding reserve, response and system inertia. This review should consider: the explicit impacts of distributed generation on the required level of security; whether it is appropriate to provide flexibility in the requirements for securing against risk events with a very low likelihood, for example on a cost/risk basis; and the costs and benefits of requiring the availability of additional reserves to secure against the risk of simultaneous loss events. Timing: The ESO should put forward modification proposals to the SQSS by April 2020.¹ with the industry, should undertake a review of the SQSS requirements for holding reserve, response and system inertia. 5.7.1. This review should consider: the explicit impacts of distributed generation on the required level of security whether it is appropriate to provide flexibility in the requirements for securing against risk events with a very low likelihood, for example on a cost/risk basis the costs and benefits of requiring the availability of additional reserves to secure against the risk of simultaneous loss events.

The NETS SQSS defines the conditions under which unacceptable frequency conditions should not occur. This drives the volume, the type of, and ultimately the cost of response, reserve and inertia services procured by the ESO to avoid such conditions. GSR027 will review the criteria for unacceptable frequency conditions in the NETS SQSS to ensure

¹ GSR027 was raised at SQSS Panel on 27 April 2020. SQSS Panel asked for a Workgroup to be formed to assess this change

² GSR027 was raised at SQSS Panel on 27 April 2020. SQSS Panel asked for a Workgroup to be formed to assess this change



that an appropriate balance can be reached between the costs of managing frequency, which is eventually borne by the consumer, and the risks mitigated in doing so.

Why is it an issue?

Assessments of the power outage of 9 August 2019 have been clear that the level of security of supply, and the costs associated with providing this, are societal questions. The GB electricity system is changing fundamentally to one in which a greater proportion of generation is connected to the distribution system, is of smaller sizes, and is predominantly made up of renewable generators (wind and solar). The time is right to carry out this review of the ESO's reserve, response and inertia holding policies³.

At the 1st Workgroup on 28 July 2020, the Proposer shared a detailed presentation to help the Workgroup understand the issue to be resolved and the proposed solution – these slides can be found in Annex 3.

What is the solution?

Proposer's solution:

In Scope:

certain definitions and provisions for unacceptable frequency conditions, and to give standing to the Frequency Risk and Control Report (FRCR)	Create a Governance framework to set out a requirement for the ESO to develop a FRCR methodology and, in line with this, to periodically produce a FRCR in accordance with an agreed process. The FRCR methodology and FRCR should be regularly reviewed and updated in consultation with interested parties and will be subject to approval by the Authority
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Being produced to support these changes:

Creation of an illustrative FRCR Methodology to allow the reader to better understand the SQSS legal text, intended process and governance arrangements giving a feel for the practical application / implementation of the FRCR. *The ESO are not specifically seeking approval from Ofgem on this as part of GSR027; however, the ESO will be seeking comments on this illustrative methodology from Ofgem as part of their GSR027 decision .*

Not in Scope due to time constraints:

A **final proposed FRCR Methodology**, which will lay out a transparent and objective framework to determine the right balance between the two competing objectives of

³ While these policies are in themselves not part of the SQSS, the volume of reserve and response held is a direct result of the requirements set out in the SQSS to avoid unacceptable frequency conditions for a range of system conditions including and taking into account an assessment of the loss of power infeed risk.

reliability and cost, focusing on the risks, impacts and controls for managing the frequency and which will set out what will be covered by the FRCR.

Target is for this to be approved/minded to approve by Ofgem in ~ January 2021 to come into effect on 1 April 2021.

The **FRCR**, which will provide a transparent and consulted assessment of the risk of unacceptable frequency conditions (as defined in the SQSS) occurring, as required by the proposed modification to the SQSS, and their impact on Security of Supply inherent in the operation of the National Electricity Transmission System.

It is intended that the ESO will formally submit the FRCR on 1 April 2021 for Ofgem approval in a short time frame having already run the required consultation prior to 1 April 2021.

Workgroup Considerations

The Workgroup convened four times to discuss the proposed change and assess the proposed solution in terms of the Applicable SQSS Objectives.

Changes to the SQSS legal text - set out in Annex 4 of this document

The Proposer presented their proposed changes to the SQSS. The changes seek to:

- In section 5 and section 9, update the list of the secured events under which "unacceptable frequency conditions" should not occur;
- Clarify the SQSS obligations (e.g. those related to Loss of Power Infeed, Unacceptable Frequency Conditions);
- Update related definitions; and
- Give standing to the FRCR and the FRCR Methodology.

Some Workgroup members were keen that the proposed SQSS legal text better reflects the role that interconnectors (along with generation and demand) losses can have in terms of frequency deviations, and therefore ESO have clarified this within the updated proposed legal text.

Some Workgroup Members were concerned that the consequential loss of distributed energy resources was not explicitly set out within the "Loss of Power Infeed" definition. The ESO believe it is inappropriate to place an obligation, as part of GSR027, on the ESO to obtain data from distributed energy resources as this will take time and there is a cost associated with this. The Workgroup, including the ESO, noted that obtaining additional data on distributed energy resources is the right direction of travel; however, this is a future consideration and not within the scope of GSR027. Assessment of consequential distributed energy resource losses are included in the assessments that are required in the FRCR Methodology and is referenced in the proposed legal text.

A Workgroup Member questioned if a change to the SQSS legal text was required to implement the FRCR methodology and FRCR as, in their opinion, the SQSS change would only be needed if a standard within the SQSS itself is being amended. He added that the FRCR is more akin to the current Network Options Assessment (NOA) process, which is set out in the licence and not the SQSS. Furthermore, the Workgroup Member was concerned that the SQSS requirements could be overridden by an external report (in this case the FRCR). However, the ESO Workgroup member responded that:

national**gridESO**

- The rationale for a one-off change to the SQSS, to clarify definitions and give standing to the FRCR, was to ensure that improvements in reliability and/or cost are realised as quickly as possible and that an efficient process is enabled that can respond quickly and transparently to system changes;
- The FRCR Methodology and FRCR will both always be subject to consultation and Ofgem approval; and
- The aim is that the FRCR is only a variation from the agreed baseline (the current SQSS arrangements) provided by the SQSS detailing transparently the risks that will be secured and is not a replacement or change to the SQSS criteria in itself. If any enduring changes to the baseline were identified as necessary, these would be required to go through the usual SQSS Modification Process.

Workgroup Consultation question: Do you agree with the proposed SQSS legal text?. Please provide the rationale for your response.

Create a Governance framework – set out in Annex 5 of this document

The Proposer presented initial thoughts on the FRCR Application ("Governance framework") and where such Governance framework could be housed.

The Governance framework sets out requirements for:

- The production of a FRCR methodology (including the form of the FRCR which will also be consulted on and approval sought from the Authority), and which will underpin the production of the FRCR.
- The periodic production of a FRCR which will be consulted on and approval sought from the Authority.

This follows the approach used in the Network Options Assessment (NOA) process in which a methodology is approved separately and is then used to produce the annual NOA report.

Workgroup Consultation question: Do you agree with the proposed Governance framework? Please provide the rationale for your response.

The Workgroup developed the following table setting out the pros and cons (this is also set out in Annex 6 of this document) regarding where to house the Governance framework for the FRCR Methodology and FRCR.



Location of 'Process' Text – Pros/Cons

	Location of text			
Issue	Licence Condition	Annex to SQSS	Grid Code	
Overall principle	Aligns with NOA approach – the NOA process and capacity market are similar in style	The SQSS is a standard not a code and does not have defined governance rules or ownership by a licensee.	Could start to bring SQSS into Grid Code	
Status of 'standard'		The requirement on licensees is to comply with the SQSS (and being the version as quoted in the licence which therefore needs updating to implement any change).	Recognised code with clear governance processes and licensee ownership	
Number of locations for documentation	Fragmented	All in one place	Fragmented – and adds another code into this	
Ofgem direction	Easier for Ofgem to maintain control if they wish; and is more in line with other direct requirements on a licensee	Ofgem could direct a change to any code, although a little less obvious how this would work with the SQSS	Ofgem could direct any changes required	
Transparency	A licence change would require a consultation and hence be transparent - but might lack visibility to wider stakeholders	Putting text in the SQSS is more transparent to stakeholders and follows a recognised process	Recognised process for any changes	
Governance for subsequent changes	Would need further licence changes	Could be done using industry code modification processes	Could be done using industry code modification processes	
Complexity	Would need Ofgem to progress a more complex licence change including consultation on this. Would need coordination to approve the SQSS change referring to the methodology simultaneously.	Approved with a single Ofgem decision (although any change to the SQSS still needs a simple licence change to update the version and then take effect)	Still need to change SQSS and therefore licence to reference the process so multiple decisions required	
Timescales	Likely to take longer unless Ofgem progressed it in parallel	Likely to be quicker even though updating the SQSS still needs a licence change	Possibly quicker although with coordination issues	

The vast majority of the Workgroup believed it was most appropriate to include this Governance framework as an annex or appendix to the SQSS (Annex 5a) as this would be the most obvious home for an SQSS related change. However, there was minority support for this Governance framework to be included within the transmission licence conditions (Annex 5b) as this is similar to the NOA process.

A Workgroup Member also suggested the Grid Code⁴ as a possible home, as the Workgroup Member felt that the governance arrangements for the Grid Code were easier for stakeholders to engage with. However, some Workgroup Members argued that having SQSS related processes within the Grid Code would add unnecessary complexity for stakeholders. Future consideration may be given to the overall arrangements for the SQSS, including whether it could be incorporated as a standard referenced in the Grid Code but this is not within the scope of GSR027.

The ESO Workgroup Member clarified that there is no difference in the obligation on the ESO to deliver and comply with the FRCR whichever of the above options is chosen.

Workgroup Consultation question: The vast majority of the Workgroup believe that the Governance framework should be housed within an annex or appendix to the SQSS. The Workgroup have also considered other options, namely Transmission Licence conditions or the Grid Code. Do you agree with the Workgroup's conclusions? Please provide the rationale for your response.

Illustrative FRCR Methodology – set out in Annex 7 of this document

Ofgem have made clear that they would need to make their decision on GSR027 in December 2020 and to achieve this they would need to receive the Final Modification Report by the 3rd week in November 2020. In light of this requirement from Ofgem, the question for the Workgroup was what could be done in terms of analysis within this

⁴ Workgroup agreed that the wording would be essentially the same as that which would sit as an Annex to the SQSS and therefore have not specifically developed the legal text for this

constrained timeframe. Neither the final FRCR Methodology nor the FRCR will be complete by the 3rd week in November.

However, the Workgroup agreed that it would be difficult for Ofgem to make a decision on the proposed GSR027 changes without a feel for the practical application / implementation of the FRCR. Therefore, the ESO have proposed an illustrative FRCR methodology, which seeks to lay out an objective framework to determine the right balance between the two competing objectives of a reliable supply of electricity at an affordable price; focusing on the risks, impacts and controls for managing the frequency. This methodology sets out the approach which will be used to complete the analysis required to produce the FRCR.

Consultation and ongoing engagement with industry stakeholders is key to achieving this in an open and transparent way. The role of the ESO is to analyse the risks, impacts and controls, their impact on reliability and cost, and present a recommendation for where the right balance might lie. This will enable Ofgem to make an informed decision on the right balance between reliability of electricity supplies and cost to end consumers.

The ESO Workgroup Member stated that version 1 of the FRCR would look at quick wins and meaningful change whilst not biting off too much at once and would focus on the following key areas:

- establishing a clear, objective, transparent process for assessing reliability vs. cost;
- making the assessment of the risk from the inadvertent operation of Loss of Mains protection transparent; and
- identifying quick, short-term improvements for reliability vs. cost, including the frequency standard that different size loss risks are held to.

The events, losses, impacts and controls to be considered in future versions are set out in Section 8 of the illustrative FRCR Methodology. This includes reviewing frequency fluctuation limits that are stated within the SQSS⁵, which addressed the concerns of some Workgroup Members, who noted that the SQSS relates not only to security of supply but also quality of supply.

Workgroup Consultation question: The ESO's illustrative FRCR methodology articulates the risks and impacts to be assessed in version 1 of the FRCR. Section 8 sets out what could be considered in future versions. Do you agree with the ESO's conclusions on what will covered in version 1 and future versions? Please provide the rationale for your response.

In Section 10 of the illustrative FRCR Methodology, the ESO have clarified the input data they would need to complete the FRCR. The ESO will either have the data they need or will make working assumptions if all the required information was not available. The ESO

Further investigations of frequency deviations closer to 50 Hz • how smaller deviations impact users, and how often they should be allowed to occur

⁵ Section 8.3 of the illustrative FRCR Methodology states:



noted in future versions of the FRCR that they may need to ask for more up to date data⁶ on e.g. Network equipment fault probability.

Workgroup Consultation question: Section 10 of the illustrative FRCR Methodology sets out the input data the ESO believe is required to produce the FRCR. Do you agree that this is suitable? Do you have any thoughts on how the data to remove ESO's working assumptions may be gathered?

Frequency Risk and Control Report (FRCR) Outputs

The Workgroup also discussed which results from the FRCR should have a restricted circulation and which should be public domain. Underpinning this discussion was the need to balance transparency with providing information that may compromise supply security.

In Section 7.2 of the illustrative FRCR Methodology, the ESO have set out their thoughts on what would be in the FRCR summary and the detailed version of the FRCR. This is summarised below:

FRCR Summary	FRCR Detailed Outputs
 the expected total cost per year of all frequency controls; and the expected level of reliability achieved for each impact. 	 the specifics of which events or categories of events will and will not be secured with targeted controls

The Workgroup agreed that there would need to be a "FRCR Approver" to determine the information that should be published in the FRCR Summary. The Workgroup proposed 2 options for who the "FRCR Approver" could be, which are:

- The SQSS Panel and Ofgem and BEIS; or
- An independent industry body appointed by Ofgem.

Workgroup Consultation question: The Workgroup have proposed 2 options for which body the 'FRCR Approver' could be. Do you agree and which is your preference? Please provide the rationale for your response.

Other Considerations

Provision of Mandatory Services - A Workgroup Member argued that GSR027 provided an opportunity to review a current imbalance that some market participants are mandated to provide services to the NETS but others are paid if they provide such services. ESO noted this concern, and reiterated that they are committed to an open, transparent and competitive market. However, this is not within the scope of GSR027.

- Improvements in statistical data inputs
- whether there is the opportunity for better quality or more accurate input data on the probability of the various types of faults, and how to reflect any uncertainties

⁶ Section 8.5 of the illustrative FRCR Methodology:



European Considerations - There is also a requirement to ensure consistency with the frequency management requirements set out in the <u>European System Operation</u> <u>Guideline (Regulation (EU) 2017/1485 (SOGL))</u>. The provisions of SOGL establish a framework for the maintenance of the secure operation of the interconnected transmission system in real time. As SOGL is European law, this takes precedent over GB Frameworks. However, in application to GB it was drafted to be consistent with the current NETS SQSS provisions.

What is the impact of this change?

Who will it impact?

National Grid ESO

The impact on the ESO of this modification and creation of the accompanying process will be the ability to respond to changing system needs in a more agile way. The goal is to ensure optimum value for money for consumers in answering the societal questions of what risks to security of supply should operational costs be incurred against and to be able to do this in a transparent, engaged and consulted manner.

Consumers (and consumer organisations)

The end consumer has two key objectives - a reliable supply of electricity at an affordable price.

There is a natural tension between those two objectives: - higher reliability requirements result in higher costs to meet them. Therefore, the ESO are trying to facilitate the electricity industry to make an informed decision on finding the right balance between those two objectives.

Generators and Interconnectors

This process may lead to changes in services required to meet system needs and therefore Balancing Services Use of System (BSUoS) costs.

The FRCR will provide more information to market participants about the likelihood and nature of operational risks and how these will be managed.

Network Operators

The review should take account of the frequency related provisions of the Grid Code and Distribution Code, particularly those relating to distributed energy resources. The review will provide additional transparency on the likelihood of the DNOs LFDD scheme being required to operate and facilitate the ongoing review of the GB LFDD arrangements.

Transmission Owner Companies

Potential interactions with Transmission Owners' investment planning or outage planning timescales and the NOA process.

Other:

Those who pay BSUoS charges

Additional costs would ultimately be passed through to consumers but would be directly paid by the ESO to reserve, response and stability service providers which would come from the payers of BSUoS charges.

Proposer's Assessment against Code Objectives

SQSS objectives;

Impact of the modification on the Code objectives:		
Relevant Objective	Identified impact	
 (i) facilitate the planning, development and maintenance of an efficient, coordinated and economical system of electricity transmission, and the operation of that system in an efficient, economic and coordinated manner; 	Positive	
 (ii) ensure an appropriate level of security and quality of supply and safe operation of the National Electricity Transmission System; 	Positive	
 (iii) facilitate effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the distribution of electricity; and 	Neutral	
(iv) facilitate electricity Transmission Licensees to comply with their obligations under EU law.	Neutral	

Proposer's view of GSR027 Original against the SQSS Objectives

This modification will drive changes to the response and reserve holding policies of the ESO by making amendments to the SQSS and its application. The requirement is to be reflective of the changing system and to balance the risks of power outages and the costs to consumers of mitigating these. In making these changes **objective (ii)** to enhance security of supply is clearly addressed

As the need to do this is borne out of system and generation portfolio changes **objective** (i) to develop the system in an economic and efficient manner is also positively impacted.

Standard Workgroup Consultation question: Do you believe that the GSR027 Original solution better facilitates the SQSS Objectives? Please explain your rationale.

When will this change take place?

Implementation date:

The proposed implementation date for the changes to the SQSS legal text and the Governance Framework to take effect is 1 April 2021.

To meet this date, GSR027 needs to be approved by Ofgem in December 2020 to allow enough time for the statutory consultation on the necessary licence changes to update the version of the SQSS with which licensees are required to comply.

Standard Workgroup Consultation question: Do you support the implementation approach?

How to respond

Standard Workgroup Consultation questions:

- 1. Do you believe that GSR027 Original solution better facilitates the SQSS Objectives? Please explain your rationale.
- 2. Do you support the proposed implementation approach?
- 3. Do you have any other comments?
- 4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?

Specific Workgroup Consultation questions:

- 5. Do you agree with the proposed SQSS legal text?. Please provide the rationale for your response.
- 6. Do you agree with the proposed Governance framework? Please provide the rationale for your response.
- 7. The vast majority of the Workgroup believe that the Governance framework should be housed within an annex or appendix to the SQSS. The Workgroup have also considered other options, namely Transmission Licence conditions or the Grid Code. Do you agree with the Workgroup's conclusions? Please provide the rationale for your response.
- 8. The ESO's illustrative FRCR methodology articulates the risks and impacts to be assessed in version 1 of the FRCR. Section 8 sets out what could be considered in future versions. Do you agree with the ESO's conclusions on what will covered in version 1 and future versions? Please provide the rationale for your response.
- 9. Section 10 of the illustrative FRCR Methodology sets out the input data the ESO believe is required to produce the FRCR. Do you agree that this is suitable? Do you have any thoughts on how the data to remove ESO's working assumptions may be gathered?
- 10. The Workgroup have proposed 2 options for which body the 'FRCR Approver' could be. Do you agree and which is your preference? Please provide the rationale for your response.

Please send your response to <u>box.sqss@nationalgrideso.com</u> using the response proforma which can be found on the National Grid ESO website via the following link:

https://www.nationalgrideso.com/document/176546/download

In accordance with Governance Rules if you wish to raise a Workgroup Consultation Alternative Request please fill in the form that can be located <u>here</u> or get in contact with us via email at <u>box.sqss@nationalgrideso.com</u>

If you wish to submit a confidential response, please note that information provided in response to this consultation will be published on National Grid ESO's website unless the response is clearly marked "Private & Confidential", we will contact you to establish the extent of the confidentiality. A response marked "Private & Confidential" will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the SQSS Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response. Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked "Private and Confidential".

Acronym table and reference material

Acronym	Meaning
DNO	Distribution Network Operator
ESO	Electricity System Operator
E3C	Energy Emergency Executive Committee
FRCR	Frequency Risk Control Report – as defined in this document
GB	Great Britain
LFDD	Low Frequency Demand Disconnection
NETS SQSS	National Electricity Transmission System Security and Quality
	of Supply Standard

Reference material:

Ofgem final report on 9th August 2019 power outage, January 2020.

E3C final report on 9th August 2019 power outage, January 2020.

Annexes

Annex	Information
Annex 1	GSR027 Proposal Form <i>(presented to SQSS Panel on 27 April 2020)</i>
Annex 2	GSR027 Terms of Reference
Annex 3	Proposer's Presentation <i>(on the issue and solution at 1st Workgroup Meeting)</i>
Annex 4	GSR027 SQSS Legal Text
Annex 5a	Governance framework – Annex or Appendix to SQSS
Annex 5b	Governance framework – Licence Change
Annex 6	Pros and Cons of where to house the Governance framework
Annex 7	Interim Methodology for FRCR