



Alignment of Market Suspension Rights to the EU Emergency and Restoration Code Article 35.1(b)

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Agenda

- Timeline
- Proposers Solution
 - The Defect
 - Background
 - Proposal
 - Draft Legal Text
 - TERRE (and MARI?) Market Suspension
- Discussion
- Terms of Reference
- Next Steps

The Defect

- As part of its final submission for the Market Suspension Proposals in January 2020, the ESO and Elexon believed that the arrangements for Market suspension were catered for in the GB Industry Codes through OC9.4.6 of the Grid Code and Section G3 of the BSC.
- The requirements for Market Suspension are summarised in section 2.1.7 of Issue 3 of the System Restoration Plan
- The parameters under which the System is in an Emergency State are detailed in section 2.1.1 of Issue 3 of the System Defence Plan
- In its response to the Submission, Ofgem advised that Article 35.1(b) of the Emergency Restoration Code was not adequately reflected in the GB Codes
- The modification is therefore required for alignment purposes only with no material impact proposed

Extract from E&R Article 35.1(b)

- E&R Article 35.1(b) states
- *A TSO may temporarily suspend one or more market activities laid down in paragraph 2 where:*
 - *the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485;*
- (Note – Article 18(3) of Regulation (EU) 2017/1485 – SOGL – System Operator Guideline – Refers to the conditions under which the System is in an Emergency State)
- The GB interpretation of this condition is covered in Section 2.1.1 Issue 3 of the System Defence Plan)
- The current Grid Code however does not directly link the emergency conditions in section 2.1.1 of Issue 3 of the System Defence Plan to or how the market may be suspended

Proposal

- The proposal is to introduce a new section of the Grid Code (BC.2.9.8) introducing a set of market suspension parameters in relation to E&R Article 35.1(b)
- This would be consistent with the approach detailed in the System Defence Plan
- The new market suspension parameters are linked to the existing rules laid out in the Grid Code
 - Minimise any requirements for a BSC change.

Draft Grid Code Text – Market Suspension

BC2.9.8 Market Suspension

BC2.9.8.1 Within the GB Synchronous Area, the Transmission System shall be considered to be in an emergency state when operational security analysis requires activation of one of the following measures:

A situation where there is (or could be) a violation of one of more criteria as defined under the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS); or

A situation when Unacceptable Frequency Conditions as defined under the National Electricity Transmission System Security and Quality of Supply Standard (NETS SQSS) have occurred; or

At least one measure of the System Defence Plan is activated; or

There is a failure of the computing facilities used to control and operate the Transmission System or unplanned outages of Electronic Communication and Computing Facilities as provided for in BC2.9.7 or the loss of communication, computing and data facilities with other Transmission Licensees as provided for in STCP 06-4.

BC2.9.8.2 While the Transmission System is still in an emergency state if after issuing system warnings and emergency instructions in accordance with (but not limited to) the requirements under OC7.4 and BC2.9, and the situation deteriorates to such an extent that it results in:-

- a) a Total Shutdown, The Company will suspend the market in accordance with the provisions of OC9.4.6; or
- b) a Partial Shutdown, The Company will also suspend the market but only where the Market Suspension Threshold has been met in accordance with OC9.4.6.

Alignment with TERRE (and MARI) Market Suspension

- A Grid Code mod is also required to ensure NGESO notifies Users (through Elexon) that the TERRE market is suspended.
- The BSCCo must be notified if TERRE market tools are on outage so that no data will be transferred from NGESO regarding TERRE market data (eg RR bids, RR auction result data or RR flagged acceptance data).
- BC4.9 covers TERRE market suspension in the event of outages of computer systems but not issues wider than computer outages
- It is proposed to add a new section BC4.10 which will address this issue
- Under Grid Code Workgroup GC0145 (MARI Implementation) it has been suggested that the same Market Suspension Arrangements applied for TERRE should also be applied to MARI. This will require a change to the terms of reference.

Draft Grid Code Text – TERRE Market Suspension

Extracts from BC4.9....

Where the **TERRE** market is suspended as a result of any of the circumstances listed in (a) – (d) above, **The Company** shall notify all **BM Participants** taking part in **TERRE** and the BSSCo that the **TERRE** market has been suspended.

New Section BC4.10....

BC4.10 TERRE Market Suspension

The **TERRE** market shall be suspended when one of the following circumstances arises:

- (a) Suspension of the **Balancing Mechanism** in accordance with OC9.4.6; or
- (b) Outages of computer systems leading to the suspension of the **TERRE** market as provided for in BC4.9; or
- (c) Notification by **The Company** that the **TERRE** market has been suspended.

Where any of the above circumstances arise **The Company** shall notify all **BM Participants** taking part in **TERRE** and the BSSCo that the **TERRE** market has been suspended.

Note:- For MARI Market Suspension the same text would be used with the inclusion of “or MARI”

Discussion / Next Steps

- Discuss proposals amongst the workgroup noting:-
 - The ESO does not believe it is in the best interests of the industry or consumers to change the current market suspension arrangements as this would incur additional and unnecessary costs
 - To align with Article 18 of the Electricity Balancing Guideline the Code Administrator consultation must run for a minimum of 1 month
 - Additional wording is proposed for TERRE and MARI market suspension
 - The Terms of Reference will need to be changed to include MARI – This issue has been raised in the GC0145 Workgroup and fits well with GC0144