Whole System Code June 2021



Agenda

Introduction of the Whole System Grid Code

Journey to Date

Stakeholder Feedback

Identified Benefits

Discussion

Next Steps

Purpose for this discussion

- To provide background on the digitalised whole system grid code ambition
- To gather feedback on the approach and ambition



Introduction

RIIO-2 **ambition** to work with all stakeholders to create a fullydigitalised, Whole System Grid Code by 2025

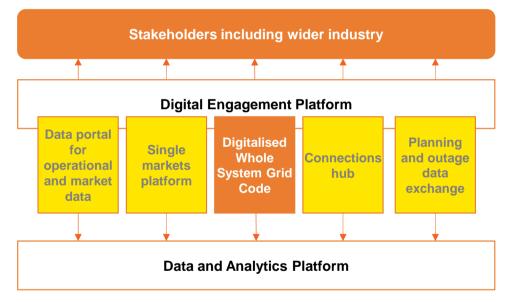
- Focus on providing minimum standards to allow safe and secure operation of the electricity systems.
- Step 1: To determine the scope, objectives and approach together with all stakeholders at the start of this activity in 2021/22. This will ensure that there is a consensus on the direction of this work from the beginning.



Delivering a "digitalised whole system grid code"

The concept can be progressed through two distinct – but closely interlinked – work streams.

Work Stream 1: Grid Code Digitalisation



A digitalised code supported by artificial intelligence to signpost and improve the user experience (e.g. a 'smart search' that retrieves code information relevant to the use case of a specific market participant).

Work Stream 2: Whole System Grid Code

Applying a whole system approach to the technical codes at Distribution and Transmission to improve customer experience, deliver consumer benefit, and ensure these codes are fit for the future.

This is focus of today's presentation.

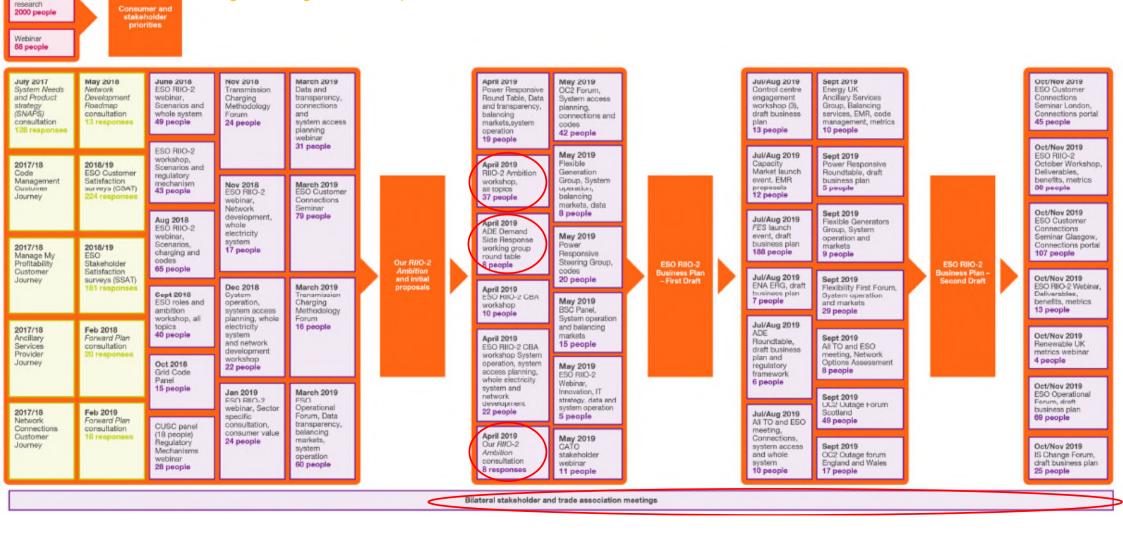


The Journey to Date

April 2018

Independent

The ambition for a digitalised Whole System Grid Code has been developed with the support of stakeholders and Ofgem through the development of the ESO RIIO2 Business Plan



Stakeholder Feedback

Stakeholder comments from our RIIO2 engagement in April 2019

How this shaped our Business Plan...

Stakeholders were generally supportive of the proposal but, a small number of stakeholders noted the ambitious nature of the proposals and questioned our ability to deliver.

A plain English "lite" version of the code was proposed as a possible alternative to a fully digitalised version A number of stakeholders, whilst supportive overall, highlighted that we need to ensure that market participants still understand the obligations on them even if the Grid Code is simplified. The obligation will still be on individual parties to ensure that they are compliant with the code. Budget and resource has been secured to deliver value while keeping the scope of the project open, to be shaped with industry and the regulator.

The high level ambition aims to facilitate a level playing field for all parties, improve accessibility and understanding of the technical codes across the whole system.



Stakeholder Feedback

Stakeholder comments from other RIIO2 engagement

April 2019: More clarity was requested on what the 'principles based' Grid Code actually means? And what are the principles to be applied?

April 2019: There was a suggestion to start simple with principles and then bolt on/add to those for the exceptions or what you need over and above the minimum. DNO bilateral meetings in September and October 2019: Combining the transmission and distribution Grid Codes is inevitable at some point.

Consultation, April 2019: There was general support for creating one integrated Grid Code. One stakeholder expressed the need to ensure that in addition to enhancing the accessibility of the code we should also reappraise the content. How this shaped our Business Plan...

We stated in the Business Plan that the first activity to deliver the digitalised whole system grid code will be to define objectives, scope and outcome together with stakeholders.



Identified Benefits

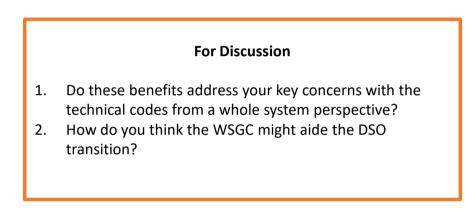
Stakeholder feedback suggests that a whole system Grid Code can help realise key benefits:

Clear, transparent & accessible technical codes for a wider group of stakeholders

2 Increased pace of decision making throughout the connection journey

3 Streamlined implementation of code changes & housekeeping existing content

4 Increased market participation, a level playing field, and more efficient outcomes for consumers





Discussion

The concept of a Whole System Code came from cross-industry engagement, and the project must be industry-led throughout.

For Discussion

- 1. How do we develop the content of WSGC?
- 2. How do we keep industry informed?
- 3. How do we make decisions?
- 4. Would you like to be involved in the development of the Whole System Grid Code?
- 5. Which category of stakeholders best describes you?
 - Existing Code Party
 - Wider Industry Player
 - Consumer Group
 - Academic
 - Existing Code Administrator
 - Trade Associations
 - If Other, please explain
- 6. What are the risks and/or opportunities you envisage from this project?



Next steps

We will present at July/Aug meeting with summary of feedback and proposed next steps

The ESO RIIO2 Business Plan includes a "go / no-go" decision on a project scope by Q4 FY22 (Jan-March 2022)



Thank You

