

Code Administrator Consultation

GC0152: Updating the Grid Code governance process to ensure we capture network code on electricity emergency and restoration (NCER) change process for Article 4 Terms and Conditions (T&Cs)

Overview: The proposal aims to ensure that retained EU law functions effectively in the context of the Grid Code following the UK-EU Trade and Co-operation Agreement and the end of the transition period. It will ensure that the Grid Code takes into account the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

Modification process & timetable



Have 5 minutes? Read our [Executive summary](#)

Have 20 minutes? Read the full [Code Administrator Consultation](#)

Have 30 minutes? Read the full Code Administrator Consultation and Annexes.

Status summary: We are now consulting on this proposed change.

This modification is expected to have a: **Low impact**

Modification drivers: Efficiency/Governance

Governance route Self-Governance modification to proceed to Code Administrator Consultation

Who can I talk to about the change?	Proposer: Steve Baker Stephen.Baker@nationalgrid.com 07929724347	Code Administrator Contact: Ian Ascroft ian.ascroft@nationalgrideso.com 07929 654061

How do I respond? Send your response proforma to grid.code@nationalgrideso.com by **5pm on 11 November 2021**

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Executive summary

This Proposal aims to ensure that retained EU law functions effectively in the context of the Grid Code following the UK-EU Trade and Co-operation Agreement and the end of the transition period. It will ensure that the Grid Code takes into account the provisions in the relevant Statutory Instruments prepared under the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020).

What is the issue?

EU Commission Regulation 2017/2196 established a Network Code on Electricity Emergency and Restoration (NCER). As part of this, the GB Transmission System Operator (NGESO) was required to submit amendments to NCER Article 4(4), so that broad references in the mapping are replaced by detailed references to specific provisions of the Grid Code. ESO also received requests to define the possibility of and conditions for aggregation of the defence and restoration service providers.

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

Proposer's solution: It is proposed to add a new table 2 to the Governance Rules to capture mapping of NCER Article 4(4) T&Cs for system defence and system restoration service providers to the Grid Code. Additional minor changes are proposed to Governance Rules for consistency.

Implementation date: 29 December 2021

What is the impact if this change is made?

In the Proposer's view all parties will benefit from a clearer and compliant process.

Interactions

- | | | | |
|--|---|---|--------------------------------|
| <input type="checkbox"/> Grid Code | <input checked="" type="checkbox"/> BSC | <input type="checkbox"/> STC | <input type="checkbox"/> SQSS |
| <input type="checkbox"/> European
Network Codes | <input type="checkbox"/> EBGL Article 18
T&Cs ¹ | <input type="checkbox"/> Other
modifications | <input type="checkbox"/> Other |

¹ If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

What is the issue?

EU Commission Regulation 2017/2196 established a network code on electricity emergency and restoration (NCER).

As part of this, the GB Transmission System Operator (NGESO) was required to submit the following proposals to Ofgem in accordance with *COMMISSION REGULATION (EU) 2017/2196 establishing a network code on electricity emergency and restoration (NCER)*;

- the terms and conditions to act as a Defence Service Provider on a contractual basis in accordance with Article 4;
- the terms and conditions to act as Restoration Service Providers on a contractual basis in accordance with Article 4.

Two proposals for NCER Article 4(4) have previously been sent to Ofgem, who requested amendments, that broad references in the mapping are replaced by detailed references to specific provisions of the Grid Code. Ofgem also requested the ESO define the possibility of and conditions for aggregation of the defence and restoration service providers to be resubmitted. The terms “Restoration Service Provider”, “Defence Service Provider” and “Significant Grid User” have been replaced by “GB parties”.

The NCER Article 4(4) further states that any amendment to these T&Cs needs to be consulted on with stakeholders for a period of not less than one calendar month.

On 13th July 2021 Ofgem published their decisions² on a number of submissions made by the NGESO to fulfil requirements set out under the NCER. This included their approval of the T&Cs noted above. Clarification of this point was sought from Ofgem who confirmed their decisions, and also on the basis that the T&Cs were mapped to obligations that had already been approved within the GB Frameworks.

Why change?

In the Proposer’s view a minor amendment needs to be made to the Grid Code to ensure this minimum consultation period is adhered to.

In the Proposer’s view by making changes to the Grid Code Governance Rules it can capture the necessary minimum consultation period, which will ensure the NCER process is followed.

This is similar to the process implemented as part of GC0132, updating the Grid Code governance process to ensure that for all future modifications to elements of the Code mapped to the Balancing T&Cs covered by the EBGL Article 18 process the Grid Code is aligned.

² https://www.ofgem.gov.uk/publications/decision-ncer-proposals-regarding-tcs-sgu-list-and-high-priority-sgu-list?utm_medium=email&utm_source=dotMailer&utm_campaign=Daily-Alert_13-07-2021&utm_content=Decision+for+NCER+proposals+regarding+T%26Cs%2c+SGU+list+and+High+Priority+SGU+list&dm_i=1QCB,7GE8F,I7EWB4,UAS4J,1

What is the solution?

Proposer's solution

In the Proposer's view by adding a new table 2 to the Governance Rules it will capture mapping of NCER Article 4(4) T&Cs for system defence and system restoration service providers to the Grid Code. Additional minor changes will also be made to Governance Rules for consistency.

Legal text

The legal text for this change can be found in Annex 3.

What is the impact of this change?

Proposer's assessment against Grid Code Objectives

Relevant Objective	Identified impact
(a) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity	Neutral
(b) Facilitating effective competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);	Neutral
(c) Subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole;	Neutral
(d) To efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency; and	Positive Ensures a compliant process
(e) To promote efficiency in the implementation and administration of the Grid Code arrangements	Neutral

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	Neutral
Lower bills than would otherwise be the case	Neutral
Benefits for society as a whole	Neutral

Reduced environmental damage	Neutral
Improved quality of service	Positive This modification improves the governance process by making it compliant with NCER

When will this change take place?

Implementation date

29 December 2021

Date decision required by

6 December 2021

Implementation approach

Standard

Interactions

- | | | | |
|---|--|--|--------------------------------|
| <input type="checkbox"/> Grid Code | <input checked="" type="checkbox"/> BSC | <input type="checkbox"/> STC | <input type="checkbox"/> SQSS |
| <input type="checkbox"/> European Network Codes | <input type="checkbox"/> EBGL Article 18 T&Cs ³ | <input type="checkbox"/> Other modifications | <input type="checkbox"/> Other |

³ If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

How to respond

Code Administrator consultation questions

- Do you believe that GC151 Original proposal better facilitates the Applicable Objectives?
- Do you support the proposed implementation approach?
- Do you have any other comments?

Views are invited on the proposals outlined in this consultation, which should be received by 5pm on **11 November 2021**. Please send your response to grid.code@nationalgrideso.com using the response pro-forma which can be found on the [modification page](#).

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBGL	Electricity Balancing Guideline
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

Reference material

- None

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Self-Governance statement
Annex 3	Legal Text