

The National Grid Company plc

**Minutes of the
Grid Code Review Panel
National Grid House, Coventry
21st February 2002**

Members/Alternates

Mike Metcalfe	National Grid (Chair)
David Payne	National Grid (Secretary)
Geoff Charter	National Grid
Patrick Hynes	National Grid
William Hung	National Grid

Advisors/Observers

Andy Balkwill, National Grid
Mark Bartholomew,
CMS Cameron McKenna

Ian Gray)
Mike Kay)
John Palmer)

Network Operators

Bridget Morgan	OFGEM
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John Norbury)	Generators with Large
Graham Trott)	Power Stations with
John France)	total Reg. Cap.> 5GW

David Ward	Generators with Large Power Stations with total Reg. Cap.< 5GW
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Charlie Chuan Zhang, LPC
Nick George, TXU

Malcolm Taylor	Generators without Large Power Stations
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Francois Boulet	EISO
David Nicol	EISO (Alternate)

Jan Devito	BSC Panel
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Brian Sequeira	Suppliers
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(No Rep)	Non Embedded Customers
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1 APPOINTMENT OF NEW MEMBERS AND INTRODUCTIONS

1094 David Payne explained that under the Grid Code Constitution and Rules Panel members were required to retire at the start of the February meeting and then be re-appointed as appropriate. David also explained that in December 2001 a letter had been sent to AEO's and posted on the National Grid website explaining that the Grid Code and the Constitution and Rules had been amended to include additional seats on the Grid Code Review Panel for a Supplier representative and a Non-Embedded Customer representative and nominations for these seats were invited with a closing date of 31 January 2002. A Supplier representative had been nominated by the closing date but to date there had been no nominations for the Non-Embedded Customer representative.

- 1095 Brian Sequeira of Centrica was introduced as the new Supplier representative. In addition Jan Devito was introduced as the new BSC Panel representative and Dave Ward would attend the GCRP as the representative for Generators with Large Power Stations with total Reg. Cap.< 5GW. Charlie Chuan Zhang of London Power Company plc was welcomed as an adviser to Dave Ward. Andy Balkwill of National Grid was also welcomed to the meeting as an observer.

2 APOLOGIES FOR ABSENCE

- 1096 Apologies were received from David Gray (National Grid) who was represented by William Hung.

3 APPROVAL OF MINUTES OF PREVIOUS MEETING

- 1097 Mike Kay pointed out that as a result of the Licence changes that had been implemented prior to the November meeting, the term Public Electricity Supplier (PES) should have been replaced by the term Distribution Network Operator (DNO).
- 1098 Jan DeVito stated that minute 1088, relating to the status of BSC modifications, did not accurately reflect the actual position with modifications P14 and P20.
(Post meeting note: It was agreed that at the time of the November meeting the BSC Panel had recommended that P14 should be rejected although the Authority had yet to give its decision and P20 had been rejected).
- 1099 With the above comments taken into account the minutes of the last meeting were agreed as a true record of the November meeting.

4. MATTERS ARISING FROM PREVIOUS MEETING (not covered below)

- 1100 With respect to minute 1045 Malcolm Taylor asked if the final proposals mentioned would include proposals for dealing with Time Tagging, NTO/NTB and QPN issues as well as proposals to update NETA software systems. Patrick Hynes stated that the NETA Software review was a separate issue to those related to Time Tagging/ NTO/NTB and QPN'S. Although these issues are in National Grid's workplan, the focus of attention was currently on the reduction to 1 hour gate closure and solving software resilience issues. Progress with the 1hr gate closure issue was dependent on progress with the associated BSC modification.
- 1101 John Norbury stated that he took comfort that National Grid expected to pick up the Time Tagging and other issues soon but also stated that these issues had been a matter of contention since the implementation of NETA and there was a genuine fear that the issues would continue to be put off in favour of other work load issues. Malcolm Taylor also stated that with the expectation that the reduction to one hour gate closure would be introduced soon then National Grid should be in a position to concentrate on the other issues sooner rather than later and requested National Grid to report back on the position with the Time Tagging issues at the May meeting. This was agreed although Patrick Hynes stated that the report may not be substantive due to the need to concentrate on the reduction to one hour gate closure.

- 1102 **Action:** *National Grid to report on the status of the Time Tagging, NTO/NTB and QPN issues and progress with NETA Software systems review at the May GCRP meeting.*
- 1103 With respect to minute 1048 Geoff Charter stated that the 'good practice' guidelines on data submission referred to had been published on the National Grid website as 'EDT Submitter Guidance Note' on 21st December 2001 and all interested parties including GCRP members, EDL/EDT developers and AEO's informed by e-mail that the document was available.
- 1104 Graham Trott asked if there was any route that could be taken to comment officially on the guidance notes as British Energy had some issues with the content.
- 1105 John France asked if the Guidance note came within the governance of the Grid Code. Geoff replied that this document was one of several documents associated with but not directly under the governance of the Grid Code.
- 1106 John Norbury stated that while he recognised the increased costs incurred for National Grid in handling large volumes of transactions, which the guidance notes sought to minimise, there were also costs incurred for Users in the implementation of the guidance notes that also needed to be considered. John suggested that an industry forum, consisting of IT representatives of connected parties, at which any proposed guidance could be discussed, may be an appropriate way forward.
- 1107 John France and Dave Ward stated that as the document was intended to be for guidance only then there was no real need to implement them if it would be disadvantageous.
- 1108 Geoff Charter undertook to forward any comments received on the Guidance note to the appropriate personnel.
- 1109 With respect to minute 1059 Malcolm Taylor asked if it was expected that a CUSC amendment related to MEC was imminent. Geoff explained that discussions were currently taking place with National Grid staff and panel representatives with the expectation that these discussions may lead to a CUSC amendment.

4.1 Summary of actions (GCRP 02/01)

Action 442/472

- 1110 It was agreed that this action could be removed from the action list as there was currently no benefit in continuing to update the GCRP annually. National Grid would initiate any appropriate action in the future should the need arise.

Action 973 - BOA's going to the wall.

- 1111 Geoff explained that a consultation related to the Balancing Principles Statement (BPS) had recently been completed and discussion with Ofgem was ongoing. This consultation proposed a solution to the issue. If Ofgem agreed to the proposals then there would follow a period of internal discussion on clarification of the Grid Code prior to proposing Grid Code changes. Geoff stated that as there is no formal consultation process for the BPS, Ofgem had suggested that a consultation should be carried out. The Authority had to approve the document and if not satisfied with the consultation then Ofgem would carry out their own consultation. It was believed that the consultation paper was distributed using an Elexon distribution list.

1112 Jan Devito asked if this issue was related to BSC Modification proposal P59. Geoff stated that it was the same issue but with different governance. National Grid was monitoring progress of modification P59 and accepted that Ofgem may wish to defer any decision on the BPS consultation until the outcome of P59 was decided.

1113 The question of distribution lists was raised. Jan Devito suggested that co-ordination of distribution lists would be helpful to ensure that the relevant parties received appropriate documents. Graham Trott suggested that the National Grid website could detail categories of documents and associated distribution lists. However it was acknowledged that addresses change frequently and this would be difficult to maintain. Geoff stated that e-mails sent out by the Grid Code team always included a list of recipients. It was also a Licence requirement that National Grid consults with all parties liable to be materially affected by any proposed changes.

Action 1079 – Would Small BM units withdrawing from balancing mechanism but submitting PN data in the short term be considered as participating in the Balancing Mechanism.

1114 It was suggested that this issue could be taken up by the Charging Methodologies statement forum.

1115 All other actions were either ongoing or completed or covered in other agenda items.

5. REPORT ON PROGRESS OF CONSULTATION PAPERS (GCRP 02/02)

A/00 – Safety Co-ordination.

1116 The concerns with respect to proximity issues continued to be considered internally. The remaining issues had been covered in a Report to the Authority issued in November 2002 and the associated Grid Code changes had now been implemented.

A/01, B/01, C/01, E/01, F/01, I/01 and Impact of Licence Changes

1117 All had been implemented in December or January.

D/01 – Provisions related to Embedded Large Power Stations

1118 Ofgem was actively considering the issues associated with the Report to the Authority sent on 5th October 2001.

G/01, H/01, J/01

1119 Reports to the Authority had been sent in January and February and a decision was expected shortly.

6 PROGRESS ON CURRENT GRID CODE MODIFICATION PROPOSALS

6.1 OC5 Review Working Group Update (GCRP 02/03)

1120 David Payne went through the paper which provided a brief update on working group progress. Text changes were being incorporated and a final report would be presented to the Panel at the May meeting.

1121 David reported that the working group had considered additional text changes not included in the original terms of reference for the review. These changes were related to clarification of the Testing and Monitoring process and the working group had agreed that the changes could be incorporated within this review.

6.2 CC.6.3.3 Review Working Group Update

1122 As there had been no working group meeting since the last GCRP meeting Geoff gave a brief verbal update on this review.

1123 Geoff explained the reasons for the review and this has been covered extensively in previous papers and GCRP Minutes.

1124 The generator concerned had still not applied for a Licence and as a result a formal Ofgem request for a review had not been received.

1125 National Grid had been concentrating analysis on the frequency range 50 – 49 Hz as this was the operational range for which response would be held to cover a loss of generation with associated costs. The next stage of the analysis would be to consider the 49 – 47 Hz range which would be associated with demand shedding.

1126 The next meeting had been scheduled for week beginning 25 February 2002. A representative of the generator had been invited to attend.

7. OTHER GRID CODE RELATED ISSUES.

7.1 Grid Code changes to align with proposals to amend CUSC 6.5.1 (GCRP 02/04)

1127 Geoff introduced the paper which was concerned with Grid Code changes associated with an amendment proposal to CUSC 6.5.1. The CUSC amendment proposes to clarify the requirements for smaller embedded power stations to provide data to National Grid. The host Network Operator would become the single point of contact for the dissemination of data relating to embedded generation within its network.

1128 However following circulation of the paper for the Panel meeting the DTI had indicated that it may retain the current licensing arrangements for some time to come. These arrangements impose conditions related to design and testing arrangements on embedded generators at the Licence exemption stage. This would have the benefit of not requiring a change to the Grid Code Connection Conditions and OC5 and would relieve the Network Operators of the obligation to collect design data. The need for the provision of planning data would remain. National Grid was currently in the process of arranging a meeting with the DTI and Network Operators in order to progress this approach. Geoff explained that as a

result the GCRP was not expected to decide whether to issue a consultation paper at this stage.

- 1129 The paper also proposed that a working group should be set up to consider the issue of embedded power stations providing data through Network Operators to National Grid.
- 1130 Mike Kay, supported by several Panel members, was not convinced of the necessity of linking the CUSC amendment proposal to a Grid Code change at this stage and was concerned about the proposed transfer of obligations from the Grid Code to the Network Operators. National Grid responded that the CUSC amendment would effectively sever the route for National Grid to obtain data about embedded power stations. David Nicol suggested that there may be other routes for obtaining the data that had not yet been explored.
- 1131 There was also concern about the need for urgency associated with the Grid Code change. Geoff explained that a delay with Grid Code changes may hold up implementation of the CUSC amendment.
- 1132 National Grid would consider circulating, initially to Panel members, a consultation Paper to be prepared following the meeting with the DTI and taking into account the outcome of the meeting. It was agreed that Panel members would be informed of the outcome of discussions with the DTI.
- 1133 **Action:** *Inform Panel members of outcome of DTI discussions.*
- 1134 John Norbury stated that an area for concern for embedded generators was the issue of deep entry costs associated with any application to connect to the system. John felt that the issue of potential National Grid costs that may be passed through to the embedded generator should be considered in parallel with the CUSC and Grid Code modification process although John recognised that the GCRP was not the forum for this issue. Nick George stated that the issue of costs had been discussed at the working group associated with the CUSC 6.5.1 amendment. Mike Metcalfe felt that this was a Charging Methodologies issue.
- 1135 Panel members were generally uncomfortable with initiating a Grid Code consultation at this stage but agreed that a working group should be set up to consider the issues. The Terms of Reference for the working group would be a topic for discussion at the first meeting.
- 1136 Malcolm Taylor, John France and John Norbury asked to be included on the working group. Other nominations were required to be sent to the Panel secretary by 7th March.

7.2 Inclusion of provisions for HV DC Interconnectors (GCRP 02/05)

- 1137 Geoff presented the paper which was intended as a means of introducing the topic and initiating a working group to discuss the issues raised. The paper indicated some of the areas in the Grid Code that may require modification to include HV DC interconnector provisions. It was not the intention of the paper to present the final proposals for Grid Code changes and it was recognised that further discussion with interested parties was required.
- 1138 David Nicol expressed a general concern that the proposals appeared to be centred on the National Grid system and stated that the operator on the other end

of the interconnector should also be considered. William Hung stated that National Grid had involved Scottish Power, Scottish and Southern and Northern Ireland Electricity in the early stages of formulating the proposals and copies of the proposals had been sent to those companies for comment. William also indicated that the Grid Code proposals made reference to agreements between the System Operators to ensure satisfactory operation on both systems.

- 1139 Francois Boulet stated that in terms of Frequency Response there should be agreement between TO's. Geoff explained that for the Scotland-UK interconnector this was covered in the BGSA.
- 1140 Mike Metcalfe invited Francois Boulet and David Nicol to comment separately on the form of the proposals.
- 1141 John Norbury stated that the provision of frequency response from England and Wales generators was a mandatory service under the Grid Code (*ref: CC.8.1*) and as there was currently no frequency response market he hoped that generators in England and Wales would not find themselves in the position where they had to support interconnector parties under the mandatory requirement.
- 1142 Malcolm Taylor asked whether it was intended that the proposed provisions might, in time, apply to the new Moyle interconnector. Geoff explained that the provisions would only apply from a specified date and were not intended to apply retrospectively.
- 1143 Charlie Chuan Zhang asked whether it was intended that the proposed provisions cover offshore wind farms. Geoff explained that although some offshore wind farm connections may indeed be considered as DC interconnectors the intention was not to include them in the proposals at the moment. The issue would however be kept under consideration and addressed as appropriate.
- 1144 William Hung reported that the industry is in the process of understanding the new technology associated with wind farm generation. The outcome together with the HV DC proposed changes will help to establish the required Grid Code provisions for wind farms.
- 1145 The Panel agreed that a working group should be initiated. Francois Boulet wished to be included on the group and Malcolm Taylor stated that Steve Drummond (as a representative of AEP) wished to be included. Other nominations for the working group should be sent to the Panel secretary by 7th March.
- 1146 Mike Metcalfe pointed out that any work carried out would formally have to be done on the basis of the current industry structure i.e. on the basis of the England and Wales Grid Code. However the BETTA proposals would clearly have to be borne in mind and he expected the present EISO's to play an important part in the discussions. Bridget Morgan stated that Ofgem would be concerned if the GB system as a whole was not considered while formulating proposals.

8 BSC/CUSC MODIFICATION PROPOSALS (GCRP 02/06)

- 1147 Geoff gave an update on modification proposals which may have an impact on the Grid Code:

- P12 – Reduction of Gate Closure to 1hr – No formal Grid Code change was required but National Grid would continue to monitor progress and introduce changes if necessary.
- P36 – BOA's relating to Applicable Balancing Services – There were possible associated changes to BC2. The BSC Panel had decided that an alternative proposal should be sent to Ofgem with a recommendation for acceptance. National Grid continues to monitor progress.
- P59 – Bids and Offers going beyond the wall – Ofgem were to be asked to agree if the governance route was appropriate.

Jan Devito added:

- if P12 (1 hr gate closure) was approved implementation may be by July 2002 but was dependent on National Grid being in a position to meet this deadline.
- P22 would be implemented on 1st April 2002 and P33 would be implemented on 30 September 2002. (Note: The Grid Code changes associated with these modifications had already been implemented).

1148 At the last GCRP meeting Justin Andrews of Elexon (representing the BSC Panel at the meeting) had tabled a comprehensive report on BSC modifications progress. At the meeting Justin had offered to provide such reports for future GCRP meetings and had forwarded a copy to the GCRP secretary for this meeting. As the report was again extensive, rather than circulate it at the meeting the secretary offered to copy and circulate the report to GCRP members if requested. Panel members agreed that for future meetings it would be preferred if Justin provided a summary report.

1149 Geoff also reported that:

- CUSC Amendment Proposal CAP 002 – 6.5.1 clarification. Consultation was underway and responses were required by 11 March 2002.
- CAP010 – Frequency Response Imbalance Exposure. This was related to BSC Modification P36 and was being considered in the BSSG (Balancing Services Standing Group). Progress would continue to be monitored.

9 ANY OTHER BUSINESS

1150 Charlie Chuan Zhang expressed concern with two areas in the Grid Code:

- The apparent misalignment between CC.6.3.7 (c) (ii) and BC.3.5.4 (c) requirements and;
- The suitability of Figures CC.A.3.2 and CC.A.3.3 in representing Combined Cycle Gas Turbine (CCGT) plant response characteristics.

1151 William Hung commented that it would be difficult to clarify these issues at the meeting and agreed to follow them up with Charlie after the meeting.

1153 Malcolm Taylor raised the issue of BETTA (the proposed extension of the existing England and Wales market structure to include Scotland) and asked if it would be the intention of the GCRP to consider this issue further in the coming year. Bridget Morgan replied that the appropriate time to bring this issue to the Panel would depend on the outcome of the forthcoming consultations.

10 DATE, TIME & VENUE OF NEXT MEETING

1154 Thursday **23rd May 2002**, starting at **10:30 am**, at National Grid House.