

GRID CODE REVIEW PANEL
23rd May 2002

**Review of Grid Code references to PES and Second Tier Supplier
and proposed Grid Code housekeeping changes**

1. Introduction

- 1.1 The current Grid Code refers to Public Electricity Suppliers and Second Tier Suppliers. However as a result of recent Licence changes there is now the need for the Grid Code to recognise the change to Distribution Licences and Supply Licences.

2. Proposed Grid Code Changes

- 2.1 The Glossary and Definitions defines Public Electricity Suppliers and Second Tier Suppliers and the associated Licences. The terms are also used in connection with the other defined terms of Supplier, Operational Planning, and Distribution Code. Further OC2.1.2 makes reference to PES Licence and Second Tier Supply Licence in connection with the standards of security set out in those Licences, and these need to be updated to refer to the Distribution Licence requirements and to delete the references to supply licences, as the relevant standards of security requirements no longer appear in those licences.
- 2.2 It is proposed that the definitions of 'PES Licence' and 'Second Tier Supply Licence' should be replaced with the new definitions 'Electricity Distribution Licence' and 'Electricity Supply Licence' as appropriate. It is also proposed that the definitions of Second Tier Supplier and Public Electricity Supplier should be deleted as they are no longer used in the Grid Code and the existing definition of Supplier should be amended accordingly.
- 2.3 Further the Defined terms Tariff Customer and Generation Licence are no longer used in the main text of the Grid Code and it is proposed that these terms can be deleted as a housekeeping change.
- 2.4 References to the Act also require updating to reflect that the Act was amended by the Utilities Act 2000. Although this is covered by paragraph 2 (v) of the Glossary and Definitions (Construction of References), it is felt helpful to reflect explicitly the changes to the Electricity Act.

- 2.5 In addition there are some other minor housekeeping changes that could be usefully included should the changes above be agreed. The attached appendix shows all of the changes to the relevant sections of the Grid Code.

3. The Way Forward

- 3.1 Members of the Grid Code Review Panel are invited to discuss and agree the proposals laid out in this paper.
- 3.2 Subject to any comments received from Panel Members at the GCRP meeting on 23rd May 2002, NGC would intend to issue a consultation paper shortly after that date.

The National Grid Company plc
8 May 2002

APPENDIX

(a) Changes associated with PES and STS

EXTRACT FROM GLOSSARY AND DEFINITIONS

<u>Act</u>	The Electricity Act 1989 <u>(as amended by the Utilities Act 2000)</u> .
<u>Distribution Code</u>	The distribution code required to be drawn up by each Public Electricity Supplier <u>Electricity Distribution Licence</u> holder and approved by the Authority, as from time to time revised with the approval of the Authority.
<u>Electricity Distribution Licence</u>	<u>The licence granted pursuant to Section 6(1) (c) of the Act</u>
<u>Electricity Supply Licence</u>	<u>The licence granted pursuant to Section 6(1) (d) of the Act</u>
<u>Generation Licence</u>	The licence granted to a Generator pursuant to Section 6(1)(a) of the Act.
<u>Operational Planning</u>	Planning through various timescales the matching of generation output with forecast NGC Demand together with a reserve of generation to provide a margin, taking into account outages of certain Generating Units , of parts of the NGC Transmission System and of parts of User Systems to which Power Stations and/or Customers are connected, carried out to achieve, so far as possible, the standards of security set out in the Transmission Licence or <u>Electricity Distribution Licence</u> Public Electricity Supply or Second Tier Supply Licence , as the case may be.
<u>Public Electricity Supplier or PES</u>	A holder of a Public Electricity Supply Licence acting in its capacity as a public electricity supplier in England and Wales.

**Public Electricity
Supply Licence**

~~A licence granted under Section 6(1)(c) of the Act.~~

**Second Tier Supplier
or STS**

~~A holder of a **Second Tier Supply Licence** acting in its capacity as a private electricity supplier in England and Wales.~~

**Second Tier Supply
Licence**

~~A licence granted under Section 6(2)(a) of the Act.~~

Supplier

(a) ~~A **Public Electricity Supplier**~~ A person supplying electricity under licence under the **Act**; or

~~(b) A **Second Tier Supplier**; or~~

~~(c) (b)~~ A person supplying electricity under exemption under the **Act**;

in each case acting in its capacity as a supplier of electricity to **Customers** in England and Wales.

Tariff Customer

~~A person who requires a supply of electricity in pursuance of section 16(1) of the **Act** and is supplied by a **Public Electricity Supplier** otherwise than on the terms specified in such an agreement as is mentioned in section 22(1) of the **Act**.~~

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EXTRACT FROM OC2

- OC2.1.2 (a) **Operational Planning** involves planning, through various timescales, the matching of generation output with forecast **NGC Demand** together with a reserve of generation to provide a margin, taking into account outages of certain **Generating Units**, and of parts of the **NGC Transmission System** and of parts of **Network Operators' Systems** which is carried out to achieve, so far as possible, the standards of security set out in the **Transmission Licence** or **Public Electricity Licence** **Electricity Distribution Licence** or **Second Tier Supply Licence** as the case may be.
- (b) In general terms there is an "envelope of opportunity" for the release of **Gensets** and for the release of parts of the **NGC Transmission System** and parts of the **Network Operator's User Systems** for outages. The envelope is defined by the difference between the total generation output expected from **Large Power Stations**, **Medium Power Stations** and **Demand**, the operational planning margin and taking into account **External Interconnections**.
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(b) Other housekeeping changes

Code	Clause	Comment	Notes
PC	Contents Page	PC.A.5 Should read 'Generating Unit Data' not 'Introduction'	This contents page does not form part of the Grid Code and this proposed change is included for information
PC	PC.A.3.4.2	Sub clause numbering should be (a) and (b)	
PC	PC.A.3.1.3(a)	Spurious bracket	
PC	PC.A.3.1.3(b)	Spurious bold '1'	
OC1	OC1.5.1	'Programming Phase' is a defined term – should be bold	