

GRID CODE REVIEW PANEL

FURTHER REVIEW OF OC1 AND OC2

1 Introduction

- 1.1 This paper proposes a fundamental review of OC1 (Demand Forecasts) and OC2 (Operational Planning and Data Provision). The proposed review is part of NGC's ongoing drive to improve information received and disseminated, as indicated in the G/04 Consultation Paper¹.
- 1.2 The paper recommends the establishment of an 'OC1 OC2 Working Group' to consider how the high level objectives of OC1 and OC2 should be achieved in the Grid Code. It also proposes the terms of reference for the working group, should the Panel decide to establish such a group.

2 Development Areas

- 2.1 The development work will cover the whole of OC1 and OC2.
- 2.2 The Working Group will identify the relevant information, obligations and rights required by each of the key stakeholders in the OC1 and OC2 processes. It will also consider any other party which may be impacted by such information.
- 2.3 The requirements identified in 2.2 will be used to identify the providers and recipients of each data item, and the timescales associated with the provision of this information. The group will seek to ensure that the requirements in OC1 and OC2 are consistent with the wider requirements in the Grid Code, identifying any conflict.
- 2.4 The Group will consider how these requirements should be captured in the Grid Code; ideally, the outcome of the development work will be a set of proposals to modify the Grid Code text, and a cross industry cost benefit analysis for such a proposals. This will include any expected IS costs across all parties.
- 2.5 The publication of any information to the market in general and any changes to internal parties processes, resulting from the development work, is outside the scope of the Grid Code and hence outside the scope of this review. The Working Group may consider, however, any complementary BSC change that may be appropriate.

¹ Grid Code Consultation Document G/04 'Proposed changes to Operating Codes OC1 and OC2

3 Next Steps

- 3.1 NGC proposes that the development areas should be progressed in conjunction with interested Grid Code parties through the establishment of an 'OC1/OC2 Working Group', chaired by the NGC.
- 3.2 Suggested draft Terms of Reference for the Working Group are given in Appendix 1.
- 3.3 NGC will bring forward revised Terms of Reference, taking account of any comments received since the Panel meeting, for agreement at the first working group meeting and recommendation to the panel.
- 3.4 The Grid Code Review Panel are invited to nominate representatives for the Working Group.
- 3.5 The first meeting of the Working Group could be held in mid-October 2004, provided nominations are submitted to the Panel secretary by 23 September 2004.
- 3.6 The first meeting of the Working Group will be held at NGT house in October 2004, and the Group will meet on a monthly basis thereafter. The Group will produce an interim progress report for GCRP in January 2005, and a final report by April 2005.

4 Recommendation

- 4.1 The Grid Code Review Panel is invited:
 - 4.1.1 to endorse the establishment of a working group and proposed timetable, and
 - 4.1.2 agree the proposed membership and nominate members of the working group, and
 - 4.1.3 confirm the acceptability of the draft Terms of Reference to be considered at the first meeting.

Appendix 1

Terms of Reference for an 'OC1 OC2 Working Group'

1 Objectives

1.1 Working Group

The overall objective of the Working Group is to facilitate the objective of OC1 and OC2 which is set out in section 1.2.

1.2 OC1 and OC2

In general, the overall objective of OC1 and OC2 is ~~to~~ to exchange specified information in order to facilitate and coordinate the planning for the safe, secure and efficient operation of the GB Transmission System, Network Operators' Systems and Generators' Systems'.

2 Membership and Reporting

It is envisaged that the Working Group will comprise:

Chairman (NGC)
Secretary (NGC)
Ofgem observer
Generator representative(s)
Network Operator representative(s)
Supplier representative(s)
Non-Embedded Customer representative(s)
Interconnector Operator representative(s)
Relevant Transmission Licensee representative(s)

3 Scope of Work

3.1 OC2

The Working Group will focus on the following aspects of OC2:

3.1.1 Outage Coordination and System Security Studies

The exchange of necessary information on Generating Units and outages for Systems of Generators, Network Operators and the GB Transmission System.

3.1.2 Operating Margins and Reserve

The provision of Output Usable by Generators to NGC and aggregated information back from NGC to Users.

3.1.3 Other areas of OC2

The exchange of other information under OC2 not covered in sections 3.1.1 and 3.1.2, e.g. Negative Reserve Active Power Margin (NRAPM).

3.2 OC1

The Working Group will focus on the following aspects of OC1:

3.2.1 Data Required for Demand Forecasting

Confirm the requirements of NGC and each User. Consider if the information provided meets the requirements of NGC and Users.

3.2.2 Operational Demand Forecasting

Consider if greater clarity is required to describe different types of demand forecasts.

3.2.3 Data Required for Reconciliation of Forecasts and Actual Demand

Consider the actual outturn demand requirements.

3.3 Consequential Changes to Other Parts of the Grid Code

The Working Group will highlight the impact of any proposed changes to OC1 and OC2 on other sections of the Grid Code.

3.4 Publication of Information

Publication of any information resulting from the development work will be outside the remit of the Working Group.

3.5 Cost/benefits of Potential Proposals

The Working Group will consider the net benefits of the potential proposals to both Users and NGC, and will only recommend proposals that are likely to deliver benefits in excess of the development and implementation costs.

4 Process of Delivery

The Group will identify the key stakeholders that will be directly involved in exchange of information pertinent to OC1 and OC2. It will also consider other parties that could be impacted by this information.

The Group will identify the information requirements of individual stakeholders. This will cover both the information content and the timescales involved in providing such information.

The Working Group will review the current provisions of OC1 and OC2, and identify potential changes to these Codes that will meet information requirements of individual stakeholders and satisfy the cost-benefit assessment. Ideally, these changes will be in the form of proposed Grid Code text.

5 Deliverables

The Working Group will produce a report for GCRP that will outline the views of the members of the Group and make recommendations on the way forward. If the Group has identified any proposed changes to the Grid Code, these will be documented in the report.

6 Timescales

It is proposed the first meeting of the Working Group will be held at NGT House in October 2004, and the Group will meet on a monthly basis thereafter. The Group will produce an interim progress report for GCRP in January 2005, and a final report by April 2005.