

Letter to Key Stakeholders who hold CUSC Contracts with National GridESO

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European Network Codes – Emergency and Restoration Code – in respect of Restoration Service Providers

This letter is for information only and no further action need be taken

In March 2011, the European Third Energy Package became law which aims to develop a more harmonised European Energy Market for gas and electricity. While achieving this, it also facilitates the integration of renewable energy sources in order to maintain system security and also enhance competition.

In developing these objectives, the European Commission have approved a suite of Network Codes of which one is the Emergency and Restoration Code.

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R2196&from=EN>

The aim of the Emergency and Restoration Code is to minimise the impact of an incident on the electricity system to prevent a total or partial Electricity System shutdown (defence measures) and to facilitate efficient and rapid restoration (restoration measures) ~~were an incident~~ total or partial Electricity System shutdown to occur.

Although the UK has now officially left the European Union, the majority of the requirements defined in the European Emergency and Restoration Code are still applicable in GB as they have been transferred into GB law via the Statutory Instruments.

National Grid ESO in their role as the Electricity System Operator (NGESO) has been working with industry stakeholders and Ofgem over the last few years to update the GB Industry Codes and associated documentation to ensure they are consistent with the EU Emergency and Restoration Code.

As part of the implementation of the EU Emergency and Restoration Code (which now falls under UK law), NGESO is also required to formally notify parties affected by the European Emergency and Restoration Code of any actions that they need to take. Article 12(6)(b) and Article 24(6)(b) of the EU Emergency and Restoration Code also requires parties to notify National Grid ESO (as System Operator) confirmation of these measures. Since the Grid Code includes a compliance process which provides for these measures, no such confirmation of these requirements is necessary.

The purpose of this letter is therefore to advise that if you already have or are intending to have a CUSC Contract with National Grid ESO, you will already be within the scope of the European Emergency and Restoration Code and through fulfilling the requirements of the Grid Code will be satisfying these requirements. There is therefore no further action required.

A Restoration Service Provider is a CUSC party who meets one or more measures of the System Restoration Plan (see row 9 in Appendix 1 of this letter). By having, or intending to have, a CUSC Contract with National Grid ESO you would already be meeting the requirements of the Grid Code as a Restoration Service Provider and therefore no further action is necessary.

National Grid ESO are currently working with the Industry and Ofgem to implement the second phase of the European Emergency and Restoration Code through Grid Code modification GC0148 which will come into effect in December 2022. Should there be any changes arising as a result of this work, they will be reflected through the GC0148 Grid Code modification process and if there is a need to notify you of any changes arising from this process, then we will write to you in the future if there is a need to do so.

As noted, as a party who has a CUSC Contract which through the obligations of the Grid Code automatically require you to meet one or more measures of the System Restoration Plan, there is no requirement for you to take any further action as a result of this letter. For your information, Appendix 1 attached to this letter summarises the work National Grid ESO has developed or is developing with the wider Industry to introduce the changes arising from the EU Emergency and Restoration Code.

Should you have any questions regarding this issue, or interested in joining the GC0148 Grid Code Modification Workgroup, please email

Grid.Code@nationalgrideso.com

Yours sincerely

DRAFT FOR DISCUSSION

Appendix 1 – Emergency and Restoration Code – Background Information

| | Article Number from Emergency and Restoration Code | Network Code Emergency and Restoration Code documents | Status | Date submitted (Issue number) |
|-----------|--|---|---|-------------------------------|
| <u>1</u> | Article 4.2(a) | T&Cs for Defence providers | Approved 13th July 2021 | 20/12/2019 (Issue 3) |
| <u>2</u> | Article 4.2(b) | T&Cs for Restoration providers | | |
| <u>3</u> | Article 4.2(c) | List of SGUs (submitted as appendix to SDP and SRP) | Approved 13th July 2021 | 20/12/2019 (Issue 3) |
| <u>4</u> | Article 4.2(d) | High priority SGUs ((submitted as appendix to SDP and SRP) | Approved 13th July 2021 | 20/12/2019 (Issue 3) |
| <u>5</u> | Article 4.2(e) | Market Suspension and Restoration rules - with intermediate methodology | Approved 11th June 2021 | 21/01/2020 (Issue 4) |
| <u>6</u> | Article 4.2(f) | Imbalance settlement rules for suspension of activities | | |
| <u>7</u> | Article 4.2(g) | Test plan | Approved 13th July 2021 | 20/12/2019 (Issue 1) |
| <u>8</u> | Article 4.5) | System Defence plan | Approval not required by Ofgem, but NGESO should notify Ofgem of any changes https://www.nationalgrideso.com/document/160016/download | 20/12/2019 (Issue 3) |
| <u>9</u> | Article 4.5) | System Restoration plan | Approval not required by Ofgem, but NGESO should notify Ofgem of any changes https://www.nationalgrideso.com/document/160026/download | |
| <u>10</u> | Articles 15.5 – 15.8, Article 41 and Article 42 (1), (2) and (5) | Implementation of Phase II of the Emergency and Restoration Code which have implementation dates of 18 th December 2022 and 18 th December 2024 ⁴⁴ | Progressed through Grid Code Modification GC0148 https://www.nationalgrideso.com/industry-information/codes/grid-code-old/modifications/gc0148-implementation-eu-emergency-and-0 | Ongoing |

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