

Grid Code Review Panel Meeting

Minutes and Actions Arising from Meeting No. 28 Held on 31st July 2007 at National Grid House, Warwick (*via Teleconference)

Present:

Duncan Burt	DB	Panel Chairman
Richard Dunn	RD	Panel Secretary

National Grid

Lilian MacLeod	LM	Member
Brian Taylor	BT	Member

Generators with Large Power Stations with total Reg. Cap.> 3GW

John Norbury	JN	Alternate Member*
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Network Operators in Scotland

Dave Carson	DC	Member*
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Relevant Transmission Licensees

Alan Michie	AM	Member*
Chandra Trikha	CT	Member*

Generators with Novel Units

Guy Nicholson	GN	Member*
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Ofgem Representative

Bridget Morgan	BM	Member*
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BSC Panel Representative

Kathryn Coffin	KC	Member*
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In Attendance

John Zammit- Haber	J Z-H	Observer
Paul Jones	PJ	Observer*
David Adam	DA	Observer*
Colin Bayfield	CB	Observer*

1. Introductions/Apologies for Absence

1. Apologies for absence were received from Andy Hiorns & Nasser Tleis (National Grid), Campbell McDonald (Gens >3GW) Richard Cook (Gens >3GW), David Ward (Gens >3GW), John Morris (Gens >3GW), Claire Maxim (Gens >3GW), David Ward (Gens <3GW), Malcolm Taylor (Gens with Small and Medium Power Stations), Mike Kay (Network Operators in England and Wales), Neil Sandison (Network Operators in Scotland), Stuart Graudus (NEC) and Jean Pompee (EISO).

2. New Grid Code Amendments

▪ Grid Code and STC Interaction (pp07/01ecrp)

2. LM presented pp07/01ecrp which proposed that the Grid Code should be amended such that it was reflective of the System Operator Transmission Operator (STC) provisions relating to the exchange of User Data. The amendment to the Grid Code was required to prevent any inconsistencies and unnecessary confusion regarding the Code obligations.

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3. LM indicated that Schedule 3 (Information and Data Exchange Specification) of the STC specified the User Data that was permitted to be exchanged from National Grid (as GB System Operator) to Scottish Power Transmission (SPT) and Scottish Hydro Electric Transmission (SHETL) as the Transmission Owners (TOs). Limitations within Schedule 3 were put in place to prevent the potential for investment planning data being passed to the generation and/or subsidiaries in the same Company Group as the Scottish TOs.
4. At the time of BETTA Go-Live a specific reference to the then version of Schedule 3 of the STC was placed in Grid Code PC1.1 and GC12.1. Therefore, any proposed amendments to Schedule 3 of the STC in the context of exchange of User data would require a consequential amendment to the Grid Code. Since BETTA Go-Live schedule 3 has been amended to enable the TOs in Scotland to fulfil their licence obligations but no corresponding changes have been made in the Grid Code resulting in the Grid Code becoming inconsistent with the STC. The STC Amendment Proposals affected are CA016, CA021, CA023, CA024 and CA026.
5. National Grid was therefore proposing that the Grid Code should be amended so that this inconsistency between the Codes could be removed. The simplest way of doing this would be to delete the reference to the STC version date in PC1.1 and GC12.1. The GCRP was informed that the STC Committee was also pursuing a number of changes to the STC governance procedures to improve the scope for User scrutiny of STC amendments. In addition, National Grid would introduce an early warning arrangement for GCRP Members and Users of amendments to the STC which the STC Committee believes impinges on the exchange of User Data.
6. DB thanked LM for this explanation and asked if the Panel would be happy for the Observers (PJ, DA and CB) to join in the debate. The Panel agreed to this. PJ referred to his e-mail copied to Members on 26th July. He confirmed that E.ON originally had concerns with the exchange of data provisions in the STC at the time of BETTA Go Active. E.ON strongly believed that it was inappropriate that the STC should dictate the User information that could be exchanged between National Grid and the Scottish TOs and that therefore control over this exchange should be reflected in User facing Codes such as the Grid Code. As a result of these successful representations the Grid Code wording was altered to restrict the exchange to the version of the STC at BETTA Go-Live so the industry could be assured that any change in the data could not be carried out in isolation from the Grid Code.
7. PJ confirmed that National Grid's proposed solution was unacceptable to E.ON. The solution seeks to remove this safeguard which had been accepted at the time of BETTA Go-Live. As a result Users would be disenfranchised from monitoring the process of exchange of User data and this was entirely unacceptable to E.ON. E.ON's preferred solution would be for the provisions to be contained in the Grid Code, or in both the Grid Code and STC. E.ON believed there was an existing precedent for the latter approach with the Balancing and Settlement Code (BSC) and the Master Registration Agreement (MRA) which had provisions replicated in both Codes along with joint change provisions. An alternative acceptable solution however would be to change the date in the Grid Code to the date that the amendment is made in the STC.
8. JN and GN shared PJ's concerns on this issue and confirmed that there needed to be safeguards for Users to monitor exchanges of data post BETTA Go-Live. GN was concerned at the burden on smaller generators that would be created by a wide range of Code changes and would prefer the issue to be dealt with in just one User facing Code. JN indicated that he was concerned at the "leakage" of User information through the STC which was not a User facing Code. JN and GN supported the solution proposed by PJ. Another alternative identified by GN was to incorporate all the provisions of Schedule 3 to the STC into the Grid Code. JN suggested a further alternative would involve the inclusion in the Grid Code of the high level principles for the exchange of User data already contained in Schedule 3 to the STC. Possible further alternatives identified during discussion were to incorporate a "best endeavours" statement concerning exchange of User data by National Grid into the Grid Code or to incorporate a governance arrangement standard into the Grid Code covering exchange

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of User data akin to the recent arrangements discussed by the GCRP for a Control Telephony Standard.

9. LM indicated that PJ's preferred solution of referring to the relevant version of the STC would mean that Grid Code changes would be required in tandem with every change to the STC. This would be very cumbersome administratively because of the potential frequency of STC changes as a relatively young Code and the fact that the governance regimes do not align and do not provide for concurrent changes. This was therefore not a sustainable solution. BM also commented that Ofgem would be concerned at any solution which involved additional complexity and parallel obligations in more than one Code. DB indicated that the various alternatives which could provide an enduring solution would probably need to be considered by a Working Group. PJ stated that the requirement to progress changes in parallel already existed in both Codes. He quoted the relevant paragraphs: GC.4.6 in the Grid Code and 7.2.9.1 & 7.2.9.2 of the STC.
10. DB indicated that in the interests of efficient operation of the Grid Code and the need to identify at least an interim solution to the issue today he proposed the following two options for the Panel to decide on:
 - Option1 – Roll forward the drafting in the Grid Code and refer to the new version of the STC (i.e. when the date of Authority approval for the current outstanding STC changes were known) while at the same time working towards an enduring solution;
 - Option 2 – agreeing with the interested generators a set of words that could be incorporated into the Grid Code that would comprise an enduring solution and address their concerns over exchange of User data via the STC.
11. Many GCRP Members were supportive of options 1 & 2 but a majority supported option 1 over option 2. DB indicated that National Grid would pursue option 1 as an interim solution. It was also agreed that a consultation paper on the change would be issued by week commencing 20th August and the consultation would be open for four weeks. It was also agreed that National Grid would establish a joint STC and Grid Code Working Group to address the question of an enduring solution.

Action: National Grid

3. Any Other Business

12. None.

4. Date of Next Meeting

13. The next regular meeting will be held on Thursday, 20th September 2007 at National Grid House, Warwick. The meeting will commence at 10:00am.