

Informal Grid Code Review Panel Meeting

Minutes and Actions Arising from an Informal Meeting held on 2nd March 2009 at National Grid House, Warwick (*via Teleconference)

Present:

David M Smith	DS	Panel Chairman
Richard Dunn	RD	Panel Secretary

National Grid

Lilian MacLeod	LM	Member
Brian Taylor	BT	Member
Bec Thornton	BTH	Member
Nasser Tleis	NT	Member

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

Claire Maxim	CM	Member*
John Norbury	JN	Alternate Member*
Campbell McDonald	CMD	Member*
Yvonne Ryan	YR	Member*
John Morris	JM	Member*

Generators with Large Power stations with total Reg. Cap.< 3GW

David Ward	DW	Member*
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Network Operators in England and Wales

Alan Creighton	AC	Member*
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Network Operators in Scotland

Dave Carson	DC	Member*
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Generators with small and medium power stations

Barbara Vest	BV	Member*
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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

Kabir Ali (National Grid)	KA	Observer
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1. Introductions/Apologies for Absence

1. Apologies for absence were received from Chandra Trikha and Alan Michie (Relevant Transmission Licensees), Mike Kay (Network Operators in England and Wales) and Neil Sandison (Network Operators in Scotland).

2. New Grid Code Amendments

▪ Category 5 Intertripping Scheme (pp09/18)

2. DS explained that this informal meeting had been convened in order to discuss proposals for the consequential amendment of the Grid Code following the submission of CAP170 by National Grid to the CUSC Amendments Panel on 27th February 2009. CUSC Amendment Proposal 170 (Category 5 System to Generator Operational Intertripping Scheme) sought to introduce commercial arrangements for the arming and disarming of a new defined category of intertrip within the System to Generator Intertripping Scheme.
3. The four current categories of System to Generator Intertrip as defined in the Grid Code had been introduced following Authority approval of Grid Code Consultation A/05 which had been a consequential amendment following Authority approval of CAP076. CAP170 also described the mechanism for the administration of associated payments. National Grid had recommended to the CUSC Panel that CAP170 should be accorded urgent status. By majority vote the CUSC Panel had agreed with National Grid's recommendation and National Grid was now awaiting confirmation of urgent status for CAP170 from Ofgem. However, whilst awaiting such confirmation National Grid had decided that the Grid Code consequential changes for CAP170 should also be pursued within a similar timescale. BM confirmed that Ofgem were not yet in a position to confirm urgent status for CAP170 but a decision was expected shortly.
4. BV expressed dissatisfaction with Ofgem's inability to confirm urgent status on CAP170 since the CUSC Panel meeting [post meeting note: Ofgem confirmation of urgent status for CAP170 was provided in a letter to Alison Kay, CUSC Panel Secretary (sic) from Mark Feather, Director Industry Codes and Licensing on 2nd March 2009].
5. LM presented pp09/18 which proposed that the Grid Code should be amended such that it reflected CAP170. The proposals would introduce a new category of intertripping scheme which will be utilised by National Grid (acting as GBSO) to operate and manage the GB Transmission System. The Category 5 Intertripping Scheme would cover intertrips capable of being armed in respect of a derogated non-compliant transmission boundary and which are currently not captured by Categories 1-4. A derogated non-compliant transmission system boundary will be defined as a boundary on the GB Transmission System which is the subject of an Authority approved derogation to the GB Security and Quality of Supply Standards (GBSQSS) under NGET'S Transmission Licence.
6. It was therefore proposed in pp09/18 that the following newly defined terms should be incorporated into the Glossary and Definitions in the Grid Code:
 - Category 5 Intertripping Scheme;
 - Derogated Non-Compliant Transmission Boundary;
 - GBSQSS Derogation.
7. The definition of System to Generator Operational Intertripping Scheme will also be amended such that it refers to the newly defined category of intertripping scheme.
8. Panel Members had a number of comments on the proposed arrangements for consideration of consequential amendments to the Grid Code arising from CAP170 and the details of the drafting for the Amendment provided by National Grid.

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- 8.1 DW noted that the decision on the principles for the introduction of CAP170 was a CUSC matter but the consequential amendments to the Grid Code were necessary to incorporate new definitions into the Grid Code hence the consequential amendment. DS confirmed that this was essentially the case.

Governance

- 8.2 The importance for the Panel to discuss the proposed Grid Code amendments prior to the industry consultation required by National Grid's licence was noted. Given the nature and timeline of the proposal, its impact on Grid Code users and the fact that the next scheduled face to face meeting of the GCRP was not until May 2009, National Grid felt that the discussion would in this instance be best facilitated via teleconference as an informal meeting rather than dealing solely by e-mail, which would be the other option. National Grid thanked members for facilitating and participating in the discussion, especially members whose constituents would potentially be affected by the proposal, all of whom were present on the call. This reflected a helpful consideration of the changes by Panel Members.
- 8.3 CMD asked for confirmation of the reason for the urgent status of the proposed Grid Code changes. LM and DS explained that this flowed essentially from the urgent status of CAP170 and the interaction between the CUSC and the Grid Code regarding the 'System to Generator Operational Intertipping Scheme'.
- 8.4 The Grid Code consciously does not have a descriptive, codified, timeline for progressing changes, given the differing nature and complexity of Code changes which can arise; as such the associated timeline for a change reflects the nature of the proposed amendment and the circumstances in which the modification has been raised. Given the interaction between the Grid Code and CUSC regarding the proposed introduction of a newly defined category of intertipping scheme, it is important that the Grid Code facilitates, as far as reasonably practicable, the timely progression of the associated CUSC Amendment Proposal whilst following due process regarding the formal review of the Grid Code proposal. This should ensure, as far as reasonably practicable, that both sets of proposal would be presented to the Authority for determination at the same time (which would facilitate the decision making process).
- 8.5 CM appreciated the need for quick action on the consequential Grid Code amendment but sought assurances that the customary integrity and rigour with which the Panel considered all proposed Grid Code changes before National Grid's industry consultation would not be compromised.
- 8.6 National Grid accepted that the timeline for the progression of the proposed changes outlined in Grid Code Consultation B/09 were shorter than often is the case with Grid Code changes (although this is permitted under Grid Code governance arrangements). This accelerated timeline would not in any way diminish National Grid's licence obligations in terms of consulting with relevant 'authorised electricity operators' and submitting a report to the Authority (inclusive of any outstanding written representations or objections from Authorised Electricity Operators).
- 8.7 In the event of the proposals being approved by the Authority, the CUSC provisions (8.21.1.9) do facilitate the review the obligations by a Working Group or Standing Group (if required). Given the close interaction between the Codes, it would be appropriate for the associated Grid Code provisions to be reviewed at the same time (if this review was instigated). Furthermore, all provisions of the Grid Code are kept under review and as such the industry may inform National Grid and the GCRP of any areas which may benefit from a review.

Proposed Grid Code Amendment

- 8.8 Several Panel Members asked if the definition of a Derogated Non-Compliant Transmission Boundary was aimed at a specific boundary. National Grid confirmed that although the only such boundary at present was the Cheviot Boundary (B6), the consequential amendment could apply to any such boundary in the future. In

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response to a question from CMD, National Grid confirmed that further derogations for such a boundary had not been sought by any other relevant Transmission Licensees. National Grid agreed to provide a link to the current derogation for Panel Members. All Grid Code derogations were available on the Ofgem website. In response to a question from JN National Grid confirmed that it did not believe that a reference to the definition of derogation in the SYS in the legal drafting was necessary.

- 8.9 DW noted that a Derogated Non-Compliant Transmission Boundary was more of a concept than a geographical boundary and therefore could move around somewhat in physical space. Would the definition need to capture this property? National Grid noted that the current derogation for the Cheviot Boundary was not a lifetime derogation and would expire in 2012. DC noted that it was extremely difficult to apply multiple intertrips across boundaries. National Grid confirmed that a Category 5 intertrip would revert to a commercial intertrip when the derogation expired.
- 8.10 Several Panel Members questioned the use of the term “capable of being armed” in the new definition of a Category 5 intertrip as it was not specific enough. National Grid confirmed that the term “capable” was used elsewhere in the Grid Code and the concept was widely understood. CMD expressed concern that this phrase could be unduly onerous for the Generator but National Grid believed that the detail could be described in the Bilateral Agreement.
- 8.11 Several Panel Members expressed concern about the potential for retrospection in the consequential amendment. JN requested that National Grid give some thought to the inclusion of a brief statement about what the amendment was expected to achieve e.g. reduced exports across a Derogated Non-Compliant Transmission Boundary and National Grid agreed to consider this.
- 8.12 Several Panel Members noted that the use of the term User as in “User’s Circuit Breaker” had been removed and JN believed this could actually be helpful in the context of Offshore and GIS. National Grid agreed with this observation. It was noted and accepted that the main reason for the change was that in some circumstances it could be the Transmission Owner’s circuit breaker that was activated.
- 8.13 In response to a question from YR National Grid confirmed that a number of Bilateral Agreements with existing Generators would need to be amended consequent on the introduction of the Category 5 intertrip. National Grid confirmed that a generator could provide more than one category of intertrip at the same time but could only be paid for providing one.
- 8.14 National Grid agreed to confirm to Panel Members why it believed it was inappropriate to identify a specific boundary in the Grid Code and that this was more appropriate for the Bilateral Agreement. The CUSC Panel was considering the economic criteria for qualification as a Category 5 intertrip and this would be conveyed to the Grid Code Panel and the industry in due course.
- 8.15 National Grid confirmed that it would consider all the points raised during the discussion in the context of the Company consultation to be issued on 3rd March and any subsequent points that Panel Members wished to raise prior to the issuing of the industry consultation. It was agreed that National Grid would circulate a draft version of the consultation document such that members had further opportunity to comment on the proposal prior to formal industry circulation.

Action: National Grid

9. The proposed timeline for the consideration of the consequential changes to the Grid Code followed closely the timeline for CAP170 confirmed by Ofgem in their letter of 2nd March and was:
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|-----------------------------------|---------------------------|
| - Amendment Raised | 27 th February |
| - Urgent Status approved by Ofgem | 2 nd March |
| - Launch of Company Consultation | 3 rd March |
| - Close of Company Consultation | 13 th March |

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- Report to the Authority

25th March

10. The Panel noted National Grid intention of proceeding to consultation on the consequential Grid Code amendment for introduction of a Category 5 System to Generator Intertripping Scheme. National Grid indicated that it would respond to all comments received on the consultation and that all comments and responses by National Grid would be incorporated into the Report to the Authority.

Action: National Grid

3. Date of Next Meeting

11. Those attending the informal meeting were reminded that the next Panel meeting will be held on Thursday, 21st May 2009 at National Grid House, Warwick. The meeting will commence at 10:00am.