

Grid Code Signatories Consultation

GCRP

17th February 2011

Background (1)

- 3rd Energy Package ENTSO-e tasked with creating European Network Codes (ENCs) based on Framework Guidelines provided by European Regulators (ACER)
- ENCs will cover a wide range of topics from Grid Connection to Wholesale Market
- Each ENC will supersede domestic network codes in the Member State
- ENCs could have a significant impact on national codes and changes will certainly be required to the GB Grid Code
- National Grid participate, as NETSO, in the ENTSO-e at both committee and working level and are actively involved in the drafting process for the ENCs

Background (2)

- NGET have a licence obligation (Condition C14) relating to the Grid Code, which requires that they consult with “authorised electricity operators” liable to be materially affected by the proposed change
- Clearly the ENCs are likely to impose changes on the Grid Code which will represent significant materiality to many “authorised electricity operators” (stakeholders)
- Given that NG are actively involved in these changes at European level, it’s appropriate they are required to consult with GB stakeholders during the process

Proposal (1)

- Propose to modify the Grid Code to oblige NG to consult and engage with stakeholders on matters likely to impact the Grid Code discussed and progressed in fora other than the Grid Code Review Panel
- Three elements:-
 - a) Provide the Grid Code Review Panel with details of any drafting proposals, in particular those concerning European Network Codes, ahead of their submission to the relevant body (e.g. ENTSO-e), including draft text and impact assessments as appropriate;

Proposal (2)

- b) Seek and take into consideration the views of the Grid Code Review Panel on such drafting proposals ahead of their submission to the relevant body;

and

- c) Provide the Grid Code Review Panel with prior notification of and subsequent feedback from meetings and workshops at which NG have attended as NETSO, particular with regard to development of European Network Codes.

Justification (1)

- Better meets NG Licence Obligation
- NG NETSO participation in ENTSO-e is funded by stakeholders – if not obliged to consult / engage with stakeholders this is contrary to what industry participants expect and counter to Ofgem’s openness and transparency approach
- Addresses issue raised by NG, in respect of the ENC development that:-
 - i) input is required from all stakeholders at an early stage;
 - ii) it is vital that any stakeholder concerns are understood at an early stage; and
 - iii) stakeholders engagement will be crucial in helping produce coherent and viable European Network Codes

Justification (2)

- This modification proposal seeks to:-
 - 1) address this process deficiency and improve the openness and transparency of the GB input to the ENCs;
 - 2) encourages effective engagement between NETSO and GB stakeholders + ensures materially affected stakeholders have opportunity to be heard

Way Forward

- GCRP establish group to consider way forward
- Group to liaise with CUSC Workgroup (if established) considering CMP 191
- Group to report back to next GCRP