Minutes

Meeting name	Grid Code Review Panel
Meeting number	67
Date of meeting	21 May 2014
Time	10:00am – 3:00pm
Location	National Grid House, Warwick.

Attendees

Name	Role	Initials	Company
Ian Pashley	Chair	IP	National Grid
Alex Thomason	Secretary	AT	National Grid
Tom Davies	Non Embedded Customers Alternate	TD	Magnox
Guy Nicholson	Generators with Novel Units Member	GN	Element Power
Guy Phillips	Large Generator (>3GW) Member	GP	E.ON
Campbell McDonald	Large Generator (>3GW) Member	CMD	SSE
Jim Barrett	Large Generator (>3GW) Member	JB	Centrica
Dave Draper	Large Generator (<3GW) Member	DD	Horizon Nuclear Power
Alan Creighton	Network Operator (E&W) Member	AC	Northern Powergrid
Mike Kay	Network Operator (E&W) Member	MK	ENW
Robert Wilson	NGET Member	RW	National Grid
Graham Stein	NGET Member	GS	National Grid
Ivan Kileff	NGET Member	IK	National Grid
Jackeline Crespo-Sandoval	NGET Member	JCS	National Grid
Alan Kelly	Transmission Licensee (SPT) Member	AK	SPT
Richard Lowe	Transmission Licensee (SHE Transmission) Member	RL	SHE Transmission
Neil Sandison	Network Operator (Scot.) Member	NS	SSE
Steve Brown	Authority Alternate	SB	Ofgem
John Lucas	BSC Panel Member	JL	Elexon
Richard Lavender	NGET Advisor	RLa	National Grid
Robyn Jenkins	NGET Advisor	RJ	National Grid
Andy Vaudin	Large Generator (>3GW) Alternate	AV	EDF Energy
John Norbury	Large Generator (>3GW) Alternate	JN	RWE
Alastair Frew	Large Generator (>3GW) Alternate	AF	Scottish Power Generation
Sigrid Bolik	Generators with Novel Units Alternate	SBo	Senvion
Peter Bolitho	Small / Medium Generator Observer	PB	
Tom Derry	NGET Presenter	TDe	National Grid
Mike Edgar	NGET Presenter	ME	National Grid

Apologies

Name	Role	Initials	Company
Alan Barlow	Non Embedded Customers Member	AB	Magnox
Julian Wayne	Authority Member	JW	Ofgem
Gordon Kelly	Network Operator (Scot.) Alternate	GK	Scottish Power
Brian Punton	Transmission Licensee (SHE Transmission) Alternate	BP	SHE Transmission
Barbara Vest	Small / Medium Generator Member	BV	Energy UK
Lisa Waters	Small / Medium Generator Alternate	LW	Waters Wye
Brendan Woods	Externally Interconnected System Operators Member	BW	SONI
Daniel Webb	Large Generator (<3GW) Member	DW	Seabank Power
Robert Longden	Suppliers	RLo	Cornwall Energy

1 Introductions & Apologies

3674. IP welcomed attendees to the meeting and the apologies were noted. IP explained that this would be RJ's last meeting as she was moving to a new role within National Grid. IP also welcomed new Panel members to the GCRP.

2 Approval of Minutes

a) March **2014 GCRP Minutes**

3675. MK asked whether both a clean and a change-marked copy of the minutes could be circulated in future. The Panel approved the minutes for publication.

ACTION: AT upload minutes onto the National Grid website.

ACTION: AT/ER provide change-marked minutes for future meetings.

3 Review of Actions

a) Summary of Actions

Revision of Engineering Recommendation P28

3676. Minute 2866: AT asked MK to provide an update on the outstanding action for the ENA to find a Workgroup chair for a joint GCRP / DCRP Workgroup. MK confirmed that the ENA has now found a chair and it is hoped the Workgroup will start soon. Action complete.

GC0063: Power Available lessons learned

3677. Minute 3219: AT noted that it has been agreed to complete the lessons learned activity once the Authority decision has been received. Action ongoing.

GC0077: Suppression on Sub Synchronous Resonance from Series Compensators

3678. Minute 3532: Action complete.

GC0074: GCRP Membership

3679. Minute 3588: Action complete.

GC0080: RES

3680. Minute 3631: Guidance document to be updated following conclusion of the current review, this is expected in September 2014. Action ongoing.

3681. Minute 3637: RES currently out for GCRP review. Action ongoing.

GC0083: European Transparency Regulation

3682. Minute 3647: Awaiting comments on draft consultation from DECC, Ofgem and Panel Members. See agenda item 5d).

GC0084: Significant Systems Event Report

3683. Minute 3650: Action complete.

3684. Minute 3651: Action complete.

b) Feedback on Codes, Connections and Operations Seminar

3685. TDe gave a presentation following the Codes, Connections and Operations Seminar held by National Grid on 19 March 2014, which was set up following a GCRP action. The seminar covered legislation and codes, connections process, Transmission Operations and Energy and Strategy Balancing. The seminar was well attended by 30 people. TDe summarised the feedback given by attendees, noting that attendees found the operational sessions most useful. Overall, attendees were either fairly or very satisfied with the day. Attendees supported holding similar seminars in future, as stand-alone events rather than in conjunction

with existing customer seminars, either once or twice a year. TDe is reviewing how to progress this event in the future, taking into account existing similar events and resourcing. TDe will report back to a future Panel with how the event will be run in future. GN asked how much demand there is for this event and how widely the initial invitation was circulated. TDe responded that the invitation went fairly widely, but as it was an introductory session, it wasn't suitable for all invitees. AV noted that he had attended the event and that it was targeted at a reasonably basic level of existing knowledge and that he would endorse the event.

Action: TDe report back to future GCRP meeting on plans for future Codes, Connections & Operations Seminars.

c) Governance of Grid Code matters relating to "F" Appendices in Bilateral Connection Agreements

3686. IP introduced CMD to discuss the issue. CMD presented pp14/29 and noted the issue has arisen from the current review of the Relevant Electrical Standards (RES) and how this may be reflected in Appendix Fs, although the issues raised are broader than just relating to the RES update. CMD's presentation slides refer to extracts from a particular signed agreement. CMD explained that he was seeking the GCRP's agreement that this issue needs to be looked at further, looking for transparency and consistency of Appendix Fs. CMD noted that the bilateral agreement in question had passed to him as part of an acquisition and the issues he was raising may not have arisen had a more experienced generator been negotiating the agreement.

3687. CMD explained that SHETLs are documents owned by SHE Transmission. CMD is concerned that the clause in the Appendix F referring to SHETLs and RES introduces risk that things could change and adds risk to a project. CMD considered that references to the Grid Code in Site Specific Technical Conditions are confusing and questioned whether, if something is not specifically referenced in the site specific technical conditions, this means that it is not relevant. MK noted that the reference to 33kV corresponding backup clearance time found in the specific Appendix F is not included in the Grid Code. IP suggested that the GCRP focus its discussions on the general issue of the suitability of the Appendix F templates. CMD reiterated that the position is confusing.

3688. CMD considered that Appendix F5, such as this, creates uncertainty which adds cost and financial risk, referencing the clause which states that the "Relevant Transmission Licensee will design the protection scheme for the Interconnecting Connections at the new Connection Site once the Construction Programme has commenced." CMD noted that he could not find the source for certain references within the technical appendices. CMD asked whether inertial response was really a site specific technical condition and questioned the purpose of the clause. CMD noted that an option would have cost £500k, adding greater risk to the developer. RW responded that this clause has been removed from the current templates and that any change to bilateral agreements would need to be agreed mutually between National Grid and the counterparty. RW suggested that CMD speak to his Customer Agreement Manager if he has concerns over clauses in his site specific agreements. CMD responded that his concern was why the clauses appeared in the agreement in the first place.

3689. AF added that he felt it was not clear to all parties that they were in a position to object to certain clauses appearing in the agreements. IP disagreed, noting that the standard templates were published to allow parties to see what would be included in them. Parties were then in a position to agree specific requirements on a bilateral basis. CMD noted that in a generator meeting earlier in the week, a clause relating to damping had been included in an agreement which was not in the standard templates.

3690. AF asked what the process is for changing the templates. GS responded that changes were made in response to requests for changes. GS' team puts together a set of templates which are used as the basis for agreements. CMD asked what legally binding means in respect of the technical appendices and how something gets put in the technical appendix templates. MK noted that this may be more of an issue for the CUSC Panel, as the technical appendices form part of the bilateral agreements and therefore should fall under CUSC governance. JN noted there

are two issues to consider; firstly transparency and secondly, governance. JN felt that publishing the templates was a move in the right direction in terms of transparency. However he felt that the templates themselves are a bit buried within National Grid's website and perhaps they could be referenced within the Governance of Electrical Standards section. GS agreed that something could be done to help all parties understand what is happening with the templates. JN suggested that some narrative could also be added to the Governance of Electrical Standards webpage, explaining the process to be followed regarding updating the Appendix Fs and how they and other standards are referenced in BCAs. GS proposed getting a small group of people together to discuss what else could be done.

3691. CMD referred to clause 15 which refers to Compliance Testing and an ongoing Grid Code Workgroup. He questioned how appropriate this was within a technical appendix. Clause 14 covers Earthing Facility; CMD questioned whether this should be a site specific standard. RW responded that this has been removed from the current templates, although acknowledged that this did not cover the existing agreement that CMD was referring to.

3692. The appendices make reference to Engineering Recommendation P28, which is not covered in the introduction to the appendices. MK referred to a question he had asked at the March 2014 GCRP meeting during the discussion on RES (minute 3629), regarding what the governance arrangements are for the Scottish equivalent of the RES. MK felt it should be an action on NGET in its role as System Operator (SO) to resolve. GS responded that changes to Scottish equivalents of RES should be governed by the GCRP, as they are covered by GC11.3 and GC11.4. JN noted that SPT's and SHETL's standards are listed in the Annex to the General Conditions and these should be the only standards to be specified in Scottish bilateral agreements.

3693. JN questioned how the templates should be updated; whether generic issues should be added to the templates first prior to being included in site specific agreements, or whether they are added to specific agreements first and then added to the templates afterwards. CMD raised a concern that development of the technical appendices appears to be ahead of the GCRP, in terms of references appearing in the technical appendices that have not yet been resolved. GP noted that issues can arise over different treatment of different users, if the templates are updated and users' existing appendices are not updated as a result. RW suggested that this is a difficult issue and that a pragmatic approach needs to be adopted, as if you changed everyone's appendices every time the template was updated, this process would never end. Any changes to appendix Fs will generally only be by mutual agreement and will be made by NGET on approach by a customer. There is recognition that larger parties are more able to do this than smaller parties. GN asked when the last time was that the National Grid internal version of the template was updated, as the most recent version on the website is from September 2012. GS noted that this is intended to be an annual process and the new templates will be uploaded in future in September of each year.

Action: AT clarify governance of F Appendix templates; whether it is covered by CUSC or Grid Code.

Action: GS consider how best to progress the annual template review process for 2014 taking into account Panel and wider stakeholder feedback and bring back proposals to July 2014 Panel meeting.

4 New Grid Code Development Issues

3694. No issues were discussed.

5 Existing Grid Code Development Issues

a) GC0074: GCRP Membership

3695. AT gave an update on progress with GC0074. Two workshops have been held, in April and May 2014, to discuss representation, election process and voting rights. At the second workshop, the four options for generator representation were narrowed down to one, which are 12 generator seats filled via a transparent and open election process. These seats will not be further categorised in any way, such as by size or fuel type, as currently happens.

3696. AT explained that the election process would start with the Code Administrator seeking nominations for seats. Candidates would be required to be nominated by a generator company listed on CUSC Schedule 1, but would not have to work for a generation company themselves (so a trade association representative could be nominated). Candidates would need to provide a statement summarising their relevant experience and expertise and specific areas of interest, which may include generator size or fuel type. The Code Administrator would check that candidates had provided sufficient information.

3697. Once a candidate pool is established, the Code Administrator would send voting papers to all generators listed on CUSC Schedule 1, the TEC Register and the Embedded MW Register, all currently published on National Grid's website. The voting process would be very simple; each voting party would have 12 votes distributed between 12 boxes for each seat. The candidates with the greatest number of votes would be elected. AT noted that this voting method has the potential to create a tie-break situation and the workshop members discussed how this could be resolved. The only solution proposed was that the candidate representing the greatest number of MW would be elected. TD commented that this did not appear to be a very fair approach and questioned whether this meant that in future Panel Members would not represent a category of generation, but their own company. AT responded that Generator Panel Members would still be required to be impartial, but acknowledged TD's comments on the perceived fairness of the tie-breaker and confirmed that this issue would be drawn out in the consultation document.

3698. AT also explained that the group members had discussed what should happen in the event of there being fewer candidates than seats. In this scenario, an election would not be run and all of the candidates would be elected. If a Generator Panel Member were to retire in the middle of a term of office, the Panel Chair would be able to appoint a new Member from any remaining candidates from the last election or appoint a suitable candidate if one presented themselves for consideration.

3699. The group also discussed the process for voting at GCRP meetings and agreed on a simple one vote per member approach. The group had discussed voting at some length, but had recognised that the GCRP currently holds a formal vote very rarely and therefore although voting rights need to be established, they may not be used often.

3700. AT clarified the approach to be taken for Alternate Panel Members. For Generator representatives, the concept of Alternates would be removed, as the number of Generator Members is proposed to be increased from 6 to 12. This would mean that, should a Generator Member be unable to attend a meeting, the member could pass their comments or voting rights to another Member to use at the meeting. This concept would also apply to every other category of Member where there are multiple attendees, for example, NGET Members, England and Wales DNOs and Relevant Transmission Licensees. Where there is proposed to be only one Member, for example, Suppliers, it seems reasonable to allow them to appoint an Alternate if they are unable to attend, as other attendees may not be able to represent their specific views.

3701. Concerns were raised over the ability of small generators to vote for a nominated representative as they would not be included on CUSC Schedule 1, the TEC Register or the Embedded MW Register. TD suggested that the Panel could have a reserved seat for this category of generators. IP noted that the question would then be how that seat could be filled. PB noted that the BSC Panel has a process by which the Chair can appoint a person if that category is not represented. MK noted that although the threshold in the Grid Code for automatic Grid Code application is 50MW, the Code applied to all small generators and consideration should be given as to how their legitimate interests are represented.

3702. CMD noted that the group proposed to change the term of office of Panel Members and AT confirmed that this would now be two years instead of one. GN asked whether there had been any discussion on the NGET membership and any split between the SO and TO. AT responded that this had been discussed and the NGET representative had confirmed that currently NGET members are drawn from the SO, with TO expertise being invited where required or relevant. IP noted that NGET's role on the GCRP is as the Licensee and this does not make a distinction between the SO and TO roles.

3703. AT summarised the next steps; a draft consultation has been produced and will be updated following the Panel's discussions and circulated to workshop attendees and GCRP members for comment prior to being issued for industry consultation. The intention is to bring a report back to the September GCRP meeting, with a view to implementing the required changes in time for the 2015 election process.

b) GC0083: European Transparency Regulation.

3704. JCS presented an update on the Transparency Regulation, noting that she had circulated a draft industry consultation (pp14/30) for comment and had received some responses and would review the legal text with the respondents. AF commented that the legal text in PC.A.2.2.8 refers to technology types, but the table asks for the Energy Identification Code, whereas Article 8 asks for production type. AF asked whether these are all the same thing. JCS responded that the EIC code is unique and that this is different from the production type and that the technology type refers to Article 14. AF questioned whether the production type and technology type is the same thing. JCS confirmed that they are the same thing. For Week 24 data, NGET captures technology type and this needs to be aligned to the ENTSO-e production type.

3705. IP likened the EIC to a BM Unit code, as it is a unique identifier. JN commented that the unavailability of GB EIC codes was frustrating development work by Users. JN noted that ENTSO-e licenses operators to issue EICs but, according ENTSO-e's website, there is no-one listed as licensed to issue EIC codes for GB currently. JCS confirmed that this was discussed at the last European workshop and that NGET would be licensed to issue these codes, as part of the BM Unit registration process. JN asked why, with reference to outage planning, the proposed legal text uses the term "Generation Capacity", being a defined term within the Grid Code but produced for the purpose of credit cover under the BSC, s which is not an appropriate measure of generating unit capacity. GS asked whether a different term should be used. IP suggested using Registered Capacity.

3706. JN raised an issue over the proposed requirement in Schedule 5 which refers to a 30 minute limit for the Generator to pass the information required to NGET. JN noted that the existing limit of 60 minutes is hard enough for the Generator to comply with and that 30 minutes would be difficult and questioned why NGET would need 30 minutes for what would appear to be an automatic process. JCS explained that 30 minutes was suggested by the legal team involved as it splits the risk between the Generator and National Grid, as 60 minutes is the total allowed period for the information to be submitted from the Generator to National Grid, and then from National Grid to the European Transparency Platform. IP suggested that it would be really useful to receive these comments in response to the consultation.

3707. MK commented that it does not seem appropriate to put an obligation on DNOs to pass on data, as they would effectively be acting as a postbox. MK noted that there are no similar obligations on a >100MW generator proposed in the code. MK considers it would be helpful to put something in the Distribution Code, but that it should not be an obligation.

3708. AF noted that if the obligation is implemented on 4 January 2015, NGET will be asking for week 24 data which will not be available by that date. GS responded that NGET will have to use the data it has and may have to make a data request to fill any gaps. CMD noted that paragraph 3.10 refers to an additional use of a Physical Notification and that this ties in to GC0063 for Power Available.

Action: JCS circulate link to Transparency website.

Action: JCS update legal text to clarify the issue of Registered Capacity vs Generation Capacity.
Action: JCS discuss distribution issues after the GCRP meeting, prior to issuing consultation.
Action: JCS discuss generator issues with JN after the meeting, prior to issuing consultation.

c) GC0034: LEEMPS Compliance Assessment

3709. GS gave an update on GC0034, which had previously been put on hold and was due for review. GS noted that nothing has changed since GC0034 was last discussed and that a future review date should be agreed. MK agreed that nothing has changed and that the Requirements for Generator code would effectively make this redundant. MK noted that if the EU codes are not implemented, it would be worth reviewing this issue, but as this appears to be very unlikely, it is probably worth closing the issue. The Panel agreed to this proposal and the issue was closed.

d) GC0022: Frequency Response

3710. GS explained that GC0022 was initially a joint CUSC and Grid Code Workgroup to look at market arrangements and mandatory requirements for frequency response, which concluded with a report to the GCRP in 2013. The Workgroup created a technical subgroup, looking at frequency response volumes, and its recommendations were taken back to the Workgroup. The GCRP had suggested NGET consider the issues further; as a result of which NGET took the issue to the Balancing Services Standing Group, a CUSC Panel Standing Group, which considered the issues and concluded that NGET has further work to do. GS noted that the NGET and industry views were quite polarised and that NGET needs to do further work, including cost benefit analysis, and that this will not be ready to present until the November 2014 Panel meeting. In the meantime, there will not be any changes proposed to the Frequency Response parameters within the Grid Code.

3711. CMD asked whether GS envisages changes being made to the Grid Code ahead of the RfG changes being implemented. GP noted that there is a lot of history behind this issue and asked whether it is worth drawing a line under it and instead raising a new issue once NGET is ready to raise its proposals. GP recalled that the Frequency Response Workgroup lasted for around 4 years and it might be neater if any new proposals could be considered on their own merits. GS suggested that it might be possible to package the Grid Code changes in a clearer manner. RW suggested waiting until GS returns to the Panel with the proposed changes before closing out GC0022 and potentially raising a new issue. GP considered that dragging out the original issue may undermine the legitimacy of the proposal.

6 Workgroups in Progress

a) GC0036: Review of Harmonics

3712. GS noted that two of meetings have been held in 2014 and that the Workgroup is nearly ready to conclude on the issues. A new final draft of an Engineering Recommendation G5/4 has been produced. The Workgroup report should be available for the September meetings of the GCRP and DCRP. MK noted that, due to some interactions between connecting parties, Distribution companies and National Grid, Ofgem raised concerns over how the process was working. The group has created a draft code of practice, which should be consulted on during 2014. GN noted that discussions at DCRP had talked about NGET holding a workshop. GS noted that this would be a good idea and that a workshop could be held as an introduction to an industry consultation once the Workgroup Report has been finalised, but that no firm plans for a workshop had yet been made.

7 Workgroup Reports

3713. None.

8 Industry Consultations

3714. None.

9 Reports to the Authority

a) GC0042: Information on Small Embedded Power Stations and Impact on Demand

3715. GS noted that 5 responses were received to the consultation, which has now closed. The proposed modification includes changes to both the Grid and Distribution Codes. The two main issues are the impact of embedded generation on transmission and distribution systems and the interaction with the Transparency Regulation. Responses were generally supportive, although some points of clarification were raised around whether existing generators were covered by the obligations. The intention is to progress the proposals largely as they were consulted upon. MK noted that the existing obligation to report uses different classification than the European list. MK asked the GCRP to lobby Ofgem to encourage them to change the Regulatory Instructions and Guidance (RIG). AC noted that the Report to the Authority could make this suggestion to Ofgem. SB agreed to speak to his relevant colleague within Ofgem. GN asked whether this change applies to generators greater than 1MW and noted that the majority of photovoltaic generation is under 1MW with 11GW of PV forecast by DECC by 2020. GS confirmed that the proposal only applies to generators greater than 1MW.

b) GC0076: Rapid Voltage Changes

3716. GS summarised the proposals which look to change the criteria around voltage transience. The proposals set a maximum change of 12%. Responses to the consultation were largely supportive, although one respondent disagreed strongly, albeit potentially based on a misunderstanding of the table in the consultation. A further respondent suggested a clarification to the table in question, as they had found it confusing. GS will clarify the text and whether it should be 10% or 12% and then progress the issue to the Authority for proposed implementation. MK noted that the figure had always been 12%. AC commented that the figure in the SQSS was also 12%.

c) GC0063: Power Available

3717. RW presented pp14/31, the draft Report to the Authority. ME was also in attendance in his role as Workgroup Chair to respond to any questions. RW summarised the background; the issue was raised at the July 2012 GCRP meeting and a Workgroup subsequently set up. Two consultations have been held: one as part of the Workgroup process in which the various options were presented, and an industry consultation in which the recommended way forward was set out. The Workgroup reported back to the GCRP in November 2013. A draft Report to the Authority is due to be finalised and submitted to the Authority within the next few weeks.

3718. The issues being addressed by the Workgroup were how accuracy of possible generator headroom could be improved by a Power Available signal. Three implementation options were identified: Standardisation of Maximum Export Limit (MEL); Dynamic MEL or Power Available Data Feed to the National Grid Control Centre. The benefits are that a better view of headroom would enhance security of supply but would also allow more efficient dispatch and would allow wind farms to be selected for frequency response or reserve actions.

3719. The draft Report, based on Workgroup discussions and consultation responses, does not document that a consensus was reached, but a majority recommendation was to progress Option 3, provision of an additional Power Available signal. This would only cover new generators from April 2016 and would not be envisaged to

apply to any existing stations unless by specific agreement. The implementation date was originally April 2015 but was changed in response to feedback beginning. There may be a requirement for a future BSC Modification to settle BOAs against Power Available rather than Final Physical Notifications. Some respondents to the consultation felt that the Power Available Grid Code modification was contingent upon and should follow any BSC Modification Proposal. GN asked what a "majority" view means. ME responded that this refers to Workgroup members as well as consultation respondents. GP asked for clarification that there is no retrospective application to Option 3, as this was still a possibility at the point of consultation. ME responded that Option 3 does not include retrospectivity, but there is still a question over at what point in the future it would apply. GP asked whether the retrospection is a change between the December 2013 and March 2014 versions of the Report as his recollection was that Option 3 was retrospective. IP noted that the Report includes a caveat to say that National Grid may seek retrospective application in exceptional circumstances. ME noted that in a commercial sense there is nothing to stop National Grid approaching a Power Park Module to negotiate provision of a signal. GP referenced the legal text in page 68, CC.6.5.6 d) which includes a caveat to allow NGET to apply the requirements retrospectively. It should be noted that Option 1 and Option 2 would result in retrospective application (reference to para 10.3 of draft report). RW agreed to clarify the text before submission to the Authority.

3720. SBo asked what the discussion was around the 10 and 15 minute frequency of signal and expressed surprise that there still appears to be a lot of choice left in the report at this stage. ME explained that [for option 1] the obligation was designed around PN obligations for accuracy and good industry practice and therefore it would be incumbent on providers to decide the frequency rate.

[added post-meeting]

For completeness, the refresh rates for each of the options are:

Option 1: refresh rate determined by generator.

Option 2: defines the refresh rate to 10 minutes (This was based on analysis set out in para 8.14 to 8.16 of the report; it is acknowledged that the cost differences between a 10 or 15 minute refresh rate would be negligible and therefore the short duration of 10 minutes was proposed).

Option 3 recognises that 5 seconds in the current SCADA refresh rate norm and, as set out in paragraph 7.19 of the report, would be lower cost implementation at 5 second frequency rate that an aggregated 10 minute refresh frequency).

3721. GP considered that the majority recommendation of Option 3 was based on it being the lowest cost option. GP's view is that Option 1 would bring a benefit of making it more explicit as to windfarms' obligations. JN supported this view but felt it was disappointing that, after reviewing for a couple of years, Generators are now expected to continue providing PNs to ELEXON for settlement purposes, PNs to NGET for operational purposes and would now have additional obligations for extra data. JN considered this to feel a bit disjointed. ME noted that the conclusions make assumptions around how the market is working and are based on the current market working. JB asked whether this is moving away from the original intent of GC0063; the original issue was the inaccuracy of PNs, with the natural consequence of this being cashout. JB noted that this issue has naturally been resolved as companies have expended considerable effort to provide accurate PNs to minimise cashout exposure where bid-offer acceptances are issued. ME acknowledged this, but noted that this was not the case for all parties, particularly for windfarms. JB considered that the proposed changes potentially favour windfarms over thermal plant. JB commented that he does not see the benefits to settlement and believes that commentary on this issue confuses the report. RJ referred to specific comments in the consultation responses which had to be reflected in the Report. ME noted that views differed on whether settlement issues had to be considered. With regard to due or undue discrimination, ME felt that this was an issue for DECC and Ofgem to consider. If parties want to submit a BSC Modification to change the way BOAs are settled, they can do so.

3722. ME clarified that he does not consider this proposal would negate the need to forecast. JB referenced the Ofgem decision on the Electricity Balancing Significant Code Review, which talks about creating sharper incentives on forecasting. GP raised the issue of visibility of information to the whole market, noting that there is currently no intention to include it within BMRS, so the SO could be making decisions on a set of data that is not visible to all market participants. GP also considered that the cost of implementation should not necessarily be the sole determinant as to the correct solution. CMD agreed with GP on the cost of implementation issue, but noted that the cost could be disproportionate as the signal may be very seldom used by the SO. CMD noted he would like to see more participation but without a huge cost. ME commented that the CUSC work looks at how to make Response Energy Payments work for windfarms as they do not currently. This looks at appropriate remuneration and compensation proposals.

3723. NS asked whether the Power Available signal would be used for settlement. NS noted that SCADA data was not always accurate. ME noted that there is nothing to say that BOA volumes will be settled on this signal.

3724. JN noted a potential difference between demand forecasting for PNs and forecasting to balance at account level, noting that the two forecasts are likely to be different. JN also felt that the proposed solution marginalises the usefulness of PNs, given the lack of clarity of the use made by the Control Centre of PNs produced by windfarms. ME accepted that for BOAs, the Control Centre does use this data, but for forecasting, it is not accurate enough. GN noted that if you have to forecast one turbine, it will be wrong, but if you aggregate it up, it will become more accurate. ME noted that the SO does energy balancing as well as constraint management and that this becomes critical during times of minimum demand (18.5GW). GN felt that the SO should be able to create a better forecast than anyone else as it has all the information available to it. GN asked whether parties had been prevented from providing services due to the accuracy of the data and that if there was not consensus, it was a concern. ME responded that he felt there is sufficient consensus and that the lack of consensus was really around uncertainty over the bigger picture. IP asked whether GN's idea of a pilot had been investigated by the Workgroup. ME confirmed that it had not.

3725. IP considered that the Report demonstrates clear benefits to the SO of the proposals and an expectation of low implementation costs, but the main challenge is that the recommendation is not unanimous. IP summarised the recommendations in the report and potential next steps. IP asked for a show of hands as to who <u>would not</u> want the Report to go to the Authority; two GCRP members raised their hand. GN suggested a show of hands for who <u>would</u> want the Report to go to the Authority; other than the NGET representatives, one GCRP member raised his hand. IP asked SB whether the Authority would accept a report on this basis. SB responded that the GCRP's role is to provide a firm opinion and rational case for Grid Code change to the Authority. He noted that very few attendees have actually expressed a view. In such circumstances, SB said without clear support and justification for change the Authority should not be used as a filter or sounding board or to test whether the Report would be sent back.

3726. SBo asked whether the BSC Panel had considered the issues. JL responded that it is not in a state yet to be brought to the BSC Panel.

3727. CMD considered that there is not a clear defect to be addressed and therefore it should not be progressed to the BSC Panel. GN and SBo supported this view. GN felt that the Report is interesting, but does not clearly identify the defects and clearly assess if the solutions address the defects. IP disagreed, describing the defect. GN referred to a lack of quantitative data in the Report. ME asked whether things have to be a concrete problem now in order to be addressed and instead whether we should be considering future problems.

3728. MK noted that in the absence of a clear Panel recommendation, it falls to the Licensee to decide how to progress. IP asked for views from the two GCRP members as to why they do not support progressing the Report. GP stated that it is not the right solution for integrating wind into the market; preferring option 1 as it is utilising existing market arrangements. Option 3 represents piecemeal data creep, when accuracy of PNs is the defect, not an additional data item through the

SCADA system. GP also has concerns over the drafting which leaves the door open for retrospective application. GN felt that the GCRP would be passing a problem to the Authority and could expect the report to be Sent Back. IP asked whether this was because GN felt the defect was not sufficiently clear and GN agreed that this was the case. GN noted that given the proposals were not retrospective, there would still be a significant section of wind generation that would not be covered by the obligations. GP referenced the Electricity Balancing SCR conclusions which require parties to improve their forecasting and that Option 1, which GP advocates, would provide a vehicle for parties to do this. CMD noted that Options 1 and 2 are about MEL, not PNs, and the cost of implementing these is significant.

3729. JN suggested including more narrative in the report regarding the industry consultation responses and NGET's view on those responses. AF asked whether there is a temporary solution currently in place. ME noted that the C/11 conclusions allowed wind farms to deviate from their submitted PNs in real time, but that the wording of the Grid Code does not allow for "temporary" solutions. GS suggested that it is time for NGET, as Licensee, to reflect on the responses, GCRP's discussions and additional points raised. IP agreed that further detail should be added to the report and that NGET should reflect further on issues raised, how to take this forward.

Action: RW to update draft report with further narrative, consider how to progress GC0063 and provide updates at future Panel meetings.

10 Progress Tracker

3730. AT noted that pp14/32 the Progress Tracker was circulated with Panel papers. AV asked for an update on GC0077 Suppression of Sub-Synchronous Resonance from Series Capacitive Compensation. RJ noted that it is due to go out to industry consultation, but is sitting in a queue of other consultations. GN asked whether the Progress Tracker could be issued in Excel format, instead of just PDF in future.

Action: AT/ER to provide Excel version of Progress Tracker for future meetings.

11 Pending Authority Decisions

3731. GC0050: Demand Control. No update was available from Ofgem, SB offered to speak to JW and provide an update.

Action: SB to provide update on GC0050.

12 Standing Items

a) European Network Codes

3732. IP noted that pp14/33, the ACER update on the European Network Codes, was circulated to the Panel. GN asked who was drafting the next version of the RfG code. RW reported that a new version was due in April 2014, the pen is with the European Commission, but that proceedings seem to have slowed down. The next joint Workgroup meeting (GC0048) is on 12 June 2014. IP noted that the last update received was that everything is on hold and that a further update should be available following the Florence Forum which is taking place on 20 and 21 May 2014. National Grid will circulate any update through the JESG weekly update to be issued on Friday. GN asked whether a ENSTO-E glossary should include references to GB Grid Code which was not currently referenced. RW responded that it was recognised that work on definitions should be a lot more coordinated, but that nothing had yet been seen. GN noted that he had dialled into the ACER meeting on Monday, 19 May 2014 which discussed the HVDC code and that he still had concerns over potential costs imposed on GB parties by applying requirements offshore. GN could not see why a European Code has to specify what happens offshore, it potentially excludes opportunities for cost reductions and innovation. IP asked whether GN was flagging this through the recognised channels, GN responded yes, including via GCRP.

b) Joint European Standing Group

3733. IP noted that pp14/34, the JESG headline report, was circulated to the Panel.

c) ECCAF

3734. IP noted that pp14/35, the ECCAF headline report, was circulated to the Panel.

13 Impact of Other Code Modification or Developments

3735. A codes summary, pp14/36, was circulated to the Panel.

14 Any Other Business

3736. **Derogations for new equipment.** SB said that Ofgem have previously been asked to issue lifetime derogations that related to the installation of new equipment. He said that Ofgem would not normally approve such derogations because new equipment should be Grid Code compliant. He advised that Ofgem have had discussions with National Grid suggesting that they (as licensee) issue an open letter to industry to clarify the requirements. RLa responded that NGET wishes to discuss this issue with Ofgem prior to progressing anything with the industry.

3737. **LONs.** JN noted he has been approached by a Generator asking questions around LONs and interpretation of Grid Code CP.8. JN noted that some Generators do not like to be issued with LONs given their wording refers to the possibility of disconnection, and the implied non-compliance. The Generator in question has been issued with a number of LONs for a series of similar work it is carrying out on different generating units and asked whether NGET takes into consideration a Generator's past history of competence and what the criteria is for issuing a LON. RLa responded that he sees LONs as a benefit to Generators and NGET, as it is clear that Generators remain operational, while there is a limited non-compliance with the Grid Code. Before A/10 (amendment that inserted the CPs into the Grid Code), as soon as a Generator was non-compliant, it would be in breach of the Grid Code and technically shouldn't be generating. JN questioned whether, since the implementation of A/10, the issuing of LONs had increased. RLa considered that this had not increased, but would bring the exact figure to the next meeting, however, A/10 has removed NGET's discretion by providing a strict process timeline. In the case of the Generator that raised the query, RLa felt that NGET is not being overly bureaucratic, as it is accepting test reports and not requiring witness testing to remove a generating unit from a LON. JN queried whether it would be useful to review A/10 provisions, now that it has been in place for some time. JN suggested that a question might be asked on whether the modification work a Generator is doing is likely to put a generator in breach of Grid Code and, if not, a LON should probably not be issued. RLa suggested that, specifically for plant modifications, NGET could consider whether there is discretion within the Grid Code to not issue a LON. GS noted that JW has some related issues on Compliance to raise, meaning there might be an opportunity to have a broader debate around compliance issues at a subsequent meeting.

Action: RLa to consider LON Compliance issues and discuss at July 2014 Panel meeting.

3738. **Multi-Shaft Modelling.** RW noted that an industry group had looked at modelling options for EBS and asked whether the group should be reinstated. CMD felt that the group should be re-established. JB agreed. JL had attended the meetings, and noted that the subject matter got very complex and the work was put on hold as a result. JN asked for the earliest date that it could be fed into the EBS process. RJ noted that it could not be included within Release 1 of EBS. IP asked whether it was of sufficient magnitude to be included in Ofgem's Future Trading arrangements. JL suggested that it would be worth contacting the original sub-group members to assess appetite for progressing the work. IP proposed to progress as suggested by JL. RJ noted that, if the work is progressed, a new Grid Code Issue would need to be raised to the Panel, as the issue was not raised in this manner to start with.

Action: NGET to contact original sub-group members to ask whether they wish to continue with the work.

13 Next Meeting

3739. The next meeting is planned for 16 July 2014.