V2.1

nationalgrid

Grid Code Issue Paper

Paper Ref:	pp16/48	Date Raised:	23/06/2016

For circulation to the Grid Code Review Panel

Raised by Richard Woodward on behalf of NGET

Management of consequential changes to the Grid Code to implement Project TERRE (EU Network Code on Electricity Balancing)

Before submitting this paper, did you present this issue to the Grid Code Development Forum?				
No	X	Yes		[Please provide details of any outcomes below]
GCDF is a periodic meeting where stakeholders can discuss any Grid Code-related technical issues. It gives stakeholders the opportunity to fully understand their issues before raising them to the Panel. Click the link above for more info, including dates.				

<<PANEL RECOMMENDATION>>

What would you like the GCRP/DCRP to do? (Mark the appropriate box)	
Note the issue for information only	
Consider the issue and provide guidance	X
Further investigate this issue at a one-off workshop *[Please consider GCDF if answered 'no' for question above]*	
Approve this issue for a workgroup for further analysis and form solutions *[Please consider workgroup Terms of Reference and attendance at workgroup]*	
Progress this issue straight to Industry Consultation *[Please contact the code administrator before proceeding (see details at the bottom)]*	

<<DEFINE>>

Please describe your issue…

BSC modification P344 seeks to align the Balancing and Settlement Code (BSC) with the European Balancing Project TERRE (Trans European Replacement Reserves Exchange) requirements. This is in order to allow early implementation of the project at national level and be compliant with the first tranche of obligations in the European Network Codes (ENCs). The Balancing Code is due to be voted on by Member States around the turn of 2016-2017.

P344 has anticipated that consequential changes to the Grid Code may be required, and this issue acts as a placeholder to consider these once recommendations to implement TERRE in GB have concluded.

Details on the BSC P344 modification group:
https://www.elexon.co.uk/mod-proposal/p344/
Consultation on Project TERRE design:
https://www.elexon.co.uk/mod-proposal/p344/

[Continued…]

nationalgrid

Grid Code Issue Paper

Paper Ref:	pp16/48	Date Raised:	23/06/2016

While the legal position post-Brexit regarding application of the European Codes needs to be determined, at the moment the requirement to implement are unchanged.

Which Grid/Distribution Code clause/section is relevant for this issue?
Balancing Code

Please describe your proposed solution…
Allow workgroup P334 to conclude (involving Grid Code stakeholders), and if needed form a Grid Code workgroup to progress the necessary changes to implement TERRE. Or progress to industry consultation to apply any required legal changes.

How has this issue originated?	
An affected party has identified a Grid Code defect	
An affected party wishes to provide information to the Panel	
An affected party has identified a Grid Code procedural inefficiency	
An affected party needs clarity	
As a consequence of Significant Code Review (initiated by the Regulatory Authority)	
As a consequence of a licence or legislative change (including European Law)	X
Other: X As a consequence of a change/modification in another GB framework or code [BSC]	

<<ASSESS>>

How are the Grid Code and Distribution Code objectives better achieved by resolving this issue?
Economic & Efficient Development: *(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity*
The development of the EU Network Codes is intended to improve competition and market accessibility across Europe, with the objective of reducing cost to the end consumer.
Competition*: (ii) to facilitate competition in the generation and supply of electricity … (on terms which neither prevent nor restrict competition in the supply or generation of electricity)*
See above
System Security: *(iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole;*
See above
Licence Obligations: *(iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency*
It is a licence obligation to ensure compliance with European legislation. Implementation the EU Network Codes, which are or will become EU law, is therefore a mandatory requirement.

<<IMPACT>>

nationalgrid

Grid Code Issue Paper

Paper Ref:	pp16/48	Date Raised:	23/06/2016

To what extent are industry stakeholders affected by this issue?	
Developers/Operators of all generation units	High
National Electricity Transmission System Operator (NETSO)	High
Transmission Owners (incl OFTOs & Interconnectors)	Low
Distribution Network Operators	Medium
Suppliers	Low
Aggregators	High
Demand Customers (including Response providers)	Low
Manufacturers	Low
Regulator	High
Other: Non-BM parties are able to participate in TERRE, so the processes to support participation for these users needs to be considered potentially outside the Grid Code	

Is there a positive impact on greenhouse gas emissions by resolving this issue?				
No		Yes	X	[Please provide details below]
Another primary objective of the Third Energy Package and the EU Network codes is to better facilitate the connection of renewable generation.				

Is there any impact on industry codes or documents?					
CUSC		STC		BSC	X
SQSS		Distribution Code	?	DCUSA	
Other Industry Documents				[Please provide details below]	

Is there a time limitation for this issue?				
No		Yes	X	[Please provide details below]
Project TERRE is due for implementation in Q2 2018, subject to Entry Into Force of EU Network Code on Electricity Balancing				

Have you attached any supporting documentation?				
No		Yes	X	[Please provide details/attach files below]
Hyperlinks with more information on P344 and Project TERRE are enclosed above				

V2.1

nationalgrid

Grid Code Issue Paper

Paper Ref:	pp16/48	Date Raised:	23/06/2016

Document Guidance

This template is used to raise an issue at the Grid Code Review Panel, as well as providing an initial assessment. An issue can be anything that a party would like to raise and does not have to result in a modification to the Grid Code or creation of a Working Group.

Grid Code Issue Papers for consideration at the next scheduled Grid Code Panel meeting (GCRP), must be submitted THREE weeks in advance [GCRP dates]

Guidance has been provided in square brackets within the document, but please contact National Grid, The Code Administrator, with any questions or queries about this template: grid.code@nationalgrid.com

An overview of the Grid Code modification process can be found here:
http://www2.nationalgrid.com/WorkArea/DownloadAsset.aspx?id=28959