

## Grid Code Modification Proposal Form

# GC0158: Reversing unimplemented aspects of GC0068

**Overview:** This modification aims to fully reverse the unimplemented changes to the Grid Code which formed part of the approved modification 'GC0068: Grid Code New and Revised Unit Data and Instructions'. It is a tidying up exercise and replaces the withdrawn modification proposal GC0126.

## Modification process & timetable



**Status summary:** The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.

### This modification is expected to have a: Low impact

Generators, National Grid Electricity System Operator and Elexon

**Modification drivers:** Cross-code Change, Efficiency, Governance, Harmonisation, Transparency

### Proposer's recommendation of governance route

Self-Governance modification to proceed to Code Administrator Consultation

### Who can I talk to about the change?

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## Contents

<b>Contents</b> .....	<b>2</b>
<b>What is the issue?</b> .....	<b>3</b>
Why change? .....	3
<b>What is the proposer's solution?</b> .....	<b>4</b>
Draft legal text .....	4
<b>What is the impact of this change?</b> .....	<b>4</b>
Proposer's assessment against Grid Code Objectives .....	4
Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories .....	5
<b>When will this change take place?</b> .....	<b>6</b>
Implementation date .....	6
Date decision required by .....	6
Implementation approach .....	6
Proposer's justification for governance route .....	6
<b>Interactions</b> .....	<b>8</b>
<b>Acronyms, key terms and reference material</b> .....	<b>8</b>
Reference material .....	8

## What is the issue?

[‘GC0068: Grid Code New and Revised Unit Data and Instructions’](#) was approved in March 2014, but not all the legal text has been implemented. The unimplemented parts of GC0068 (see Annex 1) were linked to the go-live of the Electricity Balancing System (EBS). This trigger will not be activated, as progress in this area is now being made under the [Future Balancing](#) project.

This proposal seeks to reverse all unimplemented aspects of GC0068 including the functionality for time varying profiles of Dynamic Stable Import and Stable Export Limit (SIL and SEL).

## Why change?

This is a tidying-up exercise similar to the [BSC modification P373 to reverse unimplemented changes approved originally in P297](#).

The National Grid ESO’s (NGESO) Strategic Road Map includes the development of [Future Balancing](#) (which provides for a system which will be able to handle Dynamic Data, including Dynamic SIL/SEL). Reversing the unimplemented aspects of GC0068 associated with EBS go live, including Dynamic SIL/ SEL, will allow for a cleaner starting point for any future work with handling Dynamic Data.

[‘GC0126: Implementing Profiled Stable Import and Export Limits, and reversing unimplemented aspects of GC0068’](#) was raised in April 2019 to reverse most of these changes with the exception of profiled SIL/ SEL, which at the time appeared to have a positive Cost Benefit Analysis (CBA).

A more detailed impact assessment via an internal NGESO Challenge and Review into Dynamic SIL & SEL Grid Code Modification in January 2021 concluded that consumer benefits in implementing Dynamic SIL/ SEL previously identified were no longer present within the context of other NGESO and Industry priorities. This is because:

- It doesn’t deliver the benefits described in the original modelling assessment while costs and complexity have increased (implementation of Dynamic SIL/SEL would impact more than 8 interfaces and over 10 legacy systems).
- Stakeholder interest in this development also appeared limited, evidenced by the limited numbers of consultation responses and participation in [Super SEL](#).
  - Super SEL is available and has effectively delivered most of the dynamic functionality benefits without requiring any system changes.
- The fundamental underlying assumptions in the original CBA which estimated costs at £700k were insufficiently robust.
- The updated estimated cost to deliver these changes was assessed to be in the region of £3m, based on calculations by applying consistent standards for estimation across all projects.
- Dynamic SIL/SEL would not offset the need for day-ahead agreements as there is no mechanism for it in the Balancing Mechanism (BM).
  - Minor benefits could be recognised by having a future view of SEL automatically in the system (representing a small improvement for the Control Room) but this is a process-related benefit only; potential consumer benefits are minimal.

- [Future Balancing](#) capability, in preparation for Net Zero Operation, and Dynamic Parameters will be able to be implemented in the future.
  - Given the cost and time required to implement Dynamic SIL/SEL in legacy systems it does not represent best use of resources.

The [October 2021 Grid Code Review Panel](#) recommended that GC0126 was put on hold until the output of the [BSC Issue 98 'Review of current practice of setting Dynamic Parameters within the Balancing Mechanism'](#) (raised by EnergyUK in October 2021) was known. The report presented by Elexon to the BSC Panel in June 2022 concluded that:

- No new BSC Modifications or Change Proposals would be raised directly from Issue 98, and based on updates provided by NGENSO IT on system and optimisation capabilities, the group were unlikely to pursue this in the short/medium term as progress would be limited.

To date no code modification proposals have been presented, and NGENSO withdrew their support for GC0126 in July 2022 as it would not represent good value for consumers and that unimplemented aspects of GC0068 required in future developments would be better served by specific modification proposals.

### What is the proposer's solution?

It is proposed to reverse the unimplemented aspects of GC0068 associated with EBS go live including Dynamic Stable Import and Export Limits. Note that these changes have not actually been made in the Grid Code since the trigger for them to be implemented will not be activated.

### Draft legal text

Annex 1 contains the legal text changes from GC0068. The proposal seeks to reverse all legal text which has been approved but not implemented, which is highlighted in **yellow**.

The legal text which was implemented as part of GC0068 is unaffected by this proposal (APPENDIX 3 – ANNEXURE 1; APPENDIX 3 – ANNEXURE 2; APPENDIX 3 – ANNEXURE 3; APPENDIX 4 – ANNEXURE 1)

### What is the impact of this change?

Proposer's assessment against Grid Code Objectives	
Relevant Objective	Identified impact
(a) To permit the development, maintenance, and operation of an efficient, coordinated and economical system for the transmission of electricity	<b>Neutral</b>
(b) Facilitating effective competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);	<b>Neutral</b>
(c) Subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national	<b>Neutral</b>

electricity transmission system operator area taken as a whole;	
(d) 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; and	<b>Neutral</b>
(e) To promote efficiency in the implementation and administration of the Grid Code arrangements	<b>Positive</b> Reversing these unimplemented historic changes allows for a cleaner starting point for any future work with handling Dynamic Data

### Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	<b>Neutral</b>
Lower bills than would otherwise be the case	<b>Positive</b> Implementation of Dynamic SEL/SIL does not represent good value for consumers since costs have increased and the benefit case is unclear. Therefore, reversing all unimplemented changes associated with Electricity balancing System (EBS) will have a positive impact on costs and remove any impacts on delivery of other development priorities.
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Neutral</b>
Improved quality of service	<b>Positive</b> We are tidying up unimplemented changes and leaving a clean starting point for any future work in this area.

**When will this change take place?****Implementation date**

As soon as possible

**Date decision required by**

As soon as possible

**Implementation approach**

Standard

**Proposer's justification for governance route**

Governance route: Self-Governance modification to proceed to Code Administrator Consultation

The modification will make no changes to the current Grid Code (material or otherwise), with the proposed changes being the formal reversal of previously approved but unimplemented legal text only.

Therefore the modification is unlikely to discriminate between different Grid Code Parties and is unlikely to have a material effect on any of the Self-governance criteria.

<b>Guidance on governance routes</b>		
<b>Timescales</b>	<b>Route</b>	<b>Who makes the decision (Governance type)</b>
Normal	Proceed to Code Administrator Consultation*	Authority (Standard Governance) or Panel (Self-Governance)
	Assessment by a Workgroup**	
Urgent	Proceed to Code Administrator Consultation	Authority (Standard Governance)
	Assessment by a Workgroup	
Fast-track	Straight to appeals window, then implementation	Panel (Self-Governance)
<p>* This route is for modifications which have a fully developed solution and therefore don't need to be considered by a Workgroup.</p> <p>** For modifications which need further input from industry to develop the solution.</p>		
<b>Self-Governance Criteria</b>		
<p>It depends on the material effect of the modification as to whether it should be subject to Standard or Self-Governance. If you are proposing that your modification should be subject to Self-Governance, you must explain how it meets the below criteria.</p> <p>The modification is unlikely to discriminate between different Grid Code Parties and is unlikely to have a material effect on:</p> <ul style="list-style-type: none"> <li>Existing or future electricity customers;</li> <li>Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity,</li> <li>The operation of the National Electricity Transmission System</li> <li>Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies</li> <li>The Grid Code Panel's governance procedures or the Grid Code Panel's modification procedures</li> </ul>		
<b>Urgency Criteria</b>		
<p>If you are proposing that your modification is Urgent, you must explain how it meets Ofgem's Urgent criteria (below). When modifications are granted Urgency, this enables the us to shorten the standard timescales for industry consultations. Note that we (Code Admin) must seek Authority approval for this option.</p> <p>Ofgem's current guidance states that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:</p> <ul style="list-style-type: none"> <li>A significant commercial impact on parties, consumers or other stakeholder(s); or</li> <li>A significant impact on the safety and security of the electricity and/or gas systems; or</li> <li>A party to be in breach of any relevant legal requirements.</li> </ul>		
<b>Fast-Track Self-Governance Criteria</b>		
<p>This route is for modifications which are minimal changes to the code. E.g. Typos within the codes. If you are proposing that your modification should be subject to Fast-Track Self-Governance, you must explain how it meets the below criteria.</p> <p>The modification is a housekeeping modification required as a result of an error or factual change, such as:</p> <ul style="list-style-type: none"> <li>Updating names or addresses listed in the Grid Code;</li> <li>Correcting minor typographical errors;</li> <li>Correcting formatting and consistency errors, such as paragraph numbering, or;</li> <li>Updating out of date references to other documents or paragraphs.</li> </ul>		

## Interactions

- |  |  |   |                                |
|--|--|---|--------------------------------|
| <input type="checkbox"/> CUSC                      | <input checked="" type="checkbox"/> BSC                      | <input type="checkbox"/> STC                    | <input type="checkbox"/> SQSS  |
| <input type="checkbox"/> European<br>Network Codes | <input type="checkbox"/> EBR Article 18<br>T&Cs <sup>1</sup> | <input type="checkbox"/> Other<br>modifications | <input type="checkbox"/> Other |

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BM	Balancing Mechanism
BSC	Balancing and Settlement Code
CBA	Cost Benefit Analysis
CUSC	Connection and Use of System Code
EBS	Electricity Balancing System
GC	Grid Code
NGESO	National Grid Electricity System Operator
SEL	Stable Export Limit
SIL	Stable Import Limit
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
T&Cs	Terms and Conditions

## Reference material

- Annex 1: GC0068 Legal Text
- [GC0068 Authority Decision Letter 3rd March 2014](#)
- [GC0126 Proposal Form 1st April 2019](#)
- [Elexon BSC Issue 98 WG report 9th June 2022](#)
- [October 2021 Grid Code Review Panel Meeting Minutes](#)

<sup>1</sup> If your modification amends any of the clauses mapped out in Annex GR.B of the Governance Rules section of the Grid Code, it will change the Terms & Conditions relating to Balancing Service Providers. The modification will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195). All Grid Code modifications must be consulted on for 1 month in the Code Administrator Consultation phase, unless they are Urgent modifications which have no impact on EBR Article 18 T&Cs. N.B. This will also satisfy the requirements of the NCER process.