

Workgroup Consultation

GC0161:

Changes to OC6 to allow for site protection and demand disconnect rotation

Overview: The modification aims through minor alterations to OC6 to allow sites to be protected in the event of an operational situation where there is a need to reduce National Demand.

Modification process & timetable

Proposal Form 12 May 2023

Workgroup Consultation

28 June 2023 — 04 July 2023

Workgroup Report 14 July 2023

Code Administrator Consultation
17 July 2023 – 17 August 2023

Draft Final Modification Report 22 August 2023

Final Modification Report 25 August 2023

Implementation

1WD after Authority Decision

Have 5 minutes? Read our Executive summary

Have 20 minutes? Read the full Workgroup Consultation

Have 30 minutes? Read the full Workgroup Consultation and Annexes.

Status summary: The Workgroup are seeking your views on the work completed to date to form the final solution(s) to the issue raised.

5

6

This modification is expected to have a: High impact

Distribution Network Operators and Customers

Modification drivers: Supply security

Governance route
Urgent modification to proceed under a timetable agreed by the Authority

Who can I talk to about the change?
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How do I respond?

Send your response proforma to grid.code@nationalgrideso.com by

5pm on 04 July 2023.



Contents

Contents	2
Executive summary	3
What is the issue?	4
Why change?	4
What is the solution?	4
Workgroup considerations	5
Draft legal text	7
What is the impact of this change?	7
Proposer's assessment against Grid Code Objectives	7
When will this change take place?	8
Implementation date	8
Date decision required by	8
Implementation approach	8
Interactions	9
How to respond	9
Standard Workgroup consultation questions	9
Specific Workgroup consultation questions	9
Acronyms, key terms and reference material	9
Reference material	10
Annexes	10



Executive summary

Under Grid Code OC6, the ESO can instruct Distribution Network Operators (DNOs) to utilise OC6 Demand Control in order to reduce demand on the transmission system. The Grid Code explicitly states that in such circumstances protection against a supply interruption cannot be given to critical sites, and DNOs face being non-compliant with the Grid Code in the event they choose to protect sites. The proposal is to remove a barrier preventing protection of critical sites when implementing Demand Control under OC6.5.3.

What is the solution and when will it come into effect?

Proposer's solution: The solution will amend wording within OC6 of the Grid Code to remove a barrier preventing protection of critical sites when implementing Demand Control under OC6.5.3.

Implementation date: Mid-September 2023, one working day after the Authority Decision.

What is the impact if this change is made?

This modification will have an impact on DNOs and customers. Along with changes to the Distribution Code, it will allow, but not obligate, DNOs to utilise the Electricity Supply Emergency Code (ESEC) protected site list where it is technically feasible to do so for OC6.5.3 Demand Control purposes.

Interactions

This modification will require consequential modifications to be made to the Distribution Code as DNOs may need to revise their demand disconnection plans.



What is the issue?

Operating Code 6 (OC6) is one of the tools which enables the Electricity System Operator (ESO) to reduce demand on the National Electricity Transmission System to either avoid or relieve operational problems. It is designed to be used at no or short notice.

There has been an increased focus on the tools the ESO have available to reduce demand to ensure the GB Electricity System remains balanced in the event of an operational situation where there is a need to reduce National Demand. Under OC6 no protection can be afforded to critical sites

OC6 text states that "No such protection can be given in relation to Demand Control under the Grid Code."

By having this obligation in place, the Grid Code prevents protection of critical sites.

Why change?

Government wants to align Demand Control products following the Electricity Shortfall Prioritisation Review (ESPR). Current Grid Code wording does not allow site protection and DNOs currently run the risk of being non-compliant with the Grid Code if protection is afforded to sites when implementing Demand Control via an OC6 instruction. This modification is to remove the prevention of site protection when implementing an OC6.5.3 instruction.

What is the solution?

The solution will amend wording within Grid Code OC6.1.5 which obligates that no protection can be given to consumers' sites. The solution also proposes the addition of a clause in OC6.5.3 to refer to the pre-designation of protected sites via the ESEC.

Note: the existing clause OC6.5.3(e) has been moved to OC6.5.3(f) in the draft legal text.

OC6.1.5

The Electricity Supply Emergency Code as reviewed and published from time to time by the appropriate government department for energy emergencies provides that in certain circumstances consumers are given a certain degree of "protection" when rota disconnections are implemented pursuant to a direction under the Energy Act 1976. No such protection can be given in relation to **Demand Control** under the **Grid Code**. No such protection can be given in relation to **Demand Control** under the **Grid Code**, except in relation to those **Demand Disconnection** stages referred to in OC6.5.3(a) and where such protection is technically feasible, although, even in these situations, protection cannot be guaranteed.

To invoke the Electricity Supply Emergency Code the Secretary of State will issue direction(s) to all **Network Operators** affected, exercising emergency powers under the Electricity Act 1989 or by virtue of an Order in Council under the Energy Act 1976. Following the issuance of such direction, **The Company** will act to coordinate the implementation of an agreed schedule of rota disconnections across all affected **Network Operators'** licence area(s) and to disseminate any information as necessary throughout the period of the emergency in accordance with the instructions **The Company** receives from the Secretary of State or those authorised on their behalf for this purpose.

ESO

- OC6.5.3
- (a) Whether a National Electricity Transmission System Warning High Risk of Demand Reduction or National Electricity Transmission System Warning - Demand Control Imminent has been issued or not:
 - (i) provided the instruction relates to not more than 20 per cent of its total Demand (measured at the time the Demand reduction is required); and
 - (ii) if the instruction relates to less than 20 per cent of its total Demand, is in
 - two voltage reduction stages of between 2 and 4 percent, each of which can reasonably be expected to deliver around 1.5 percent Demand reduction; and
 - up to three Demand Disconnection stages, each of which can reasonably be expected to deliver between four and six percent Demand reduction,

each Network Operator will abide by the instructions of The Company, which should specify whether a voltage reduction or Demand Disconnection stage is required; or

(iii) if the instruction relates to less than 20 per cent of its total Demand, is in four Demand Disconnection stages each of which can reasonably be expected to deliver between four and six per cent Demand reduction,

each Network Operator will abide by the instructions of The Company with regard to Demand reduction under OC6.5 without delay.

- (b) The Demand reduction must be achieved within the Network Operator's System as far as possible uniformly across all Grid Supply Points (unless otherwise specified in the National Electricity Transmission System Warning - High Risk of Demand Reduction) either by Customer voltage reduction or by Demand Disconnection.
- (c) Demand Control initiated by voltage reduction shall be initiated as soon as possible but in any event no longer than two minutes from the instruction being received from The Company, and completed within 10 minutes of the instruction being received from The Company.
- (d) Demand Control initiated by Demand Disconnection shall be initiated as soon as possible but in any event no longer than two minutes from the instruction being received from The Company, and completed within five minutes of the instruction being received from The Company.
- (e) Where Demand Control is initiated by Demand Disconnection, in relation to those Demand Disconnection stages referred to in OC6.5.3(a) protection may be given where technically feasible, to pre-designated protected sites in instances where Demand Control is implemented on the instructions of The Company in accordance with the provisions in OC6.5. The list of pre-designated protected sites is compiled and kept up to date by Network Operators in accordance with the terms set out in the Electricity Supply Emergency Code.
- (ef) Each Network Operator must notify The Company in writing by calendar week 24 each year, for the succeeding Financial Year onwards, whether Demand Control is to be implemented either:
 - by a combination of voltage reduction and Demand Disconnection; or
 - ii) Demand Disconnection alone;

together with the magnitude of the voltage reduction stages (where applicable) and for Demand Disconnection stages, the demand reduction anticipated. Thereafter, any changes must be notified in writing to The Company at least 10 Business Days prior to the change coming into effect.

Workgroup considerations

The Workgroup convened three times ahead of the Workgroup consultation to discuss the issue, detail the scope of the defect, devise potential solutions, and assess the proposal in terms of the Applicable Code Objectives.

Consideration of the proposer's solution

The original proposal covered changes to OC6 to allow for the use of the protected site list (as separately determined, according to the ESEC) to be used when applying OC6 demand disconnection by DNOs. The Workgroup noted that only the utilisation of the protected site



list by DNOs (when applying demand disconnection elements of OC6 Demand Control) should be covered in the scope of this modification to ensure the approved urgent timescales are met.

The ESO advised the Workgroup that demand disconnection rotation will be considered in a subsequent modification, as part of a suite of modifications to follow this initial (GC0161) modification to OC6.

As such the Workgroup have requested a change in the modification title to 'GC0161: Changes to OC6 to allow for site protection' which will be discussed at the <u>Grid Code</u> Review Panel on 29 June 2023 to better reflect the purpose of this modification.

These are displayed in the table below.

GC Mod	Purpose	Proposed GC Changes	Benefit
GC0161	To remove wording in OC6 that prevents the protection of particular consumers or not to unduly discriminate/prefer particular customers.	Remove relevant text in OC6.1.5 and OC6.2.1	Will allow the DNOs, where technically possible, to use the 5% demand blocks currently utilised for ESEC for OC6 Demand Control (OC6.5.3), therefore ensure the protection of key sites.
GC016X (in draft)	To clarify/amend the operational timings for the delivery of the additional demand reduction above 20% under OC6.5	Additional text specifying when each additional 5% demand can be delivered above 20% (i.e. 5mins for each additional 5% demand block)	Will allow the DNOs, where technically possible, to use the 5% demand blocks currently utilised for ESEC for OC6 Demand Control above 20% (OC6.5.4 & 5), therefore ensure the protection of key sites.
GC01XX (in draft)	Introduce a new demand reduction tool into OC6 for margin shortfall scenario, with [6/24] hours notice.	Additional section under OC6 (OC6.9) detailing the margins shortfall procedure with [6/24] hours notice.	Will allow the DNOs, where technically possible, to use the 5% demand blocks currently utilised for ESEC for OC6 Demand Control, therefore ensure the protection of key sites and allow rotation of the Demand Blocks.

The Workgroup considered the GC0161 proposed changes to the Grid Code. The initial intention of the Proposer was to remove a sentence in OC6.1.5, which prevents protection in relation to Demand Control under the Grid Code. Workgroup members noted that just removing the entire text did not, in their view, provide certainty that would permit the DNOs to utilise the protected site list for OC6 purposes (which was the Proposers' intention).

Workgroup members therefore suggested, at the first Workgroup meeting, that some wording be substituted for the deleted text. It was discussed that the wording needed to make clear that the provision of site protection is not guaranteed, and that the code clearly referred to the definition of protected sites, in accordance with the ESEC. It was also discussed that this modification does not cover all aspects of Demand Control, and that this needs to be clear in the legal text.

At Workgroup 2, it was further agreed that the legal text should become more prescriptive, referring specifically to Demand Disconnection stages referred to in OC6.5.3(a), rather than Demand Control, to make it clear that Voltage Reduction is not included in the scope of this modification. One Workgroup member noted that the new legal text would give no reassurance to consumers on whether protection would be provided, however it was clarified by the proposer that the modification was to remove the prevention of site protection when implementing an OC6 instruction, rather than to provide an obligation for Network Operators to protect sites because it will not always be technically feasible.

The Proposer considered these wording suggestions for OC6.1.5 from the Workgroup and agreed with the proposed changes to OC6.1.5.



The Proposer then asked for the Workgroup's views on whether the deletion of the following wording from OC6.2.1 was required to proceed with modification GC0161:

"in a manner that does not unduly discriminate against, or unduly prefer, any one or any group of **Suppliers** or **Network Operators** or **Non-Embedded Customers**"

A Workgroup member noted that this wording arises from the Transmission Licence, in particular, Condition 14 (11) which relates directly to the Grid Code. This Workgroup member then noted that the proposed deletion in OC6.2.1 would not remove the obligation. Several Workgroup members noted that the sentence in OC6.2.1 does not prevent due discrimination, and it was agreed that site protection under OC6.5.3 would be considered to be due discrimination. Therefore, the Proposer accepted, and the Workgroup agreed, that the initial proposed change to OC6.2.1 was not required for this modification to proceed.

The proposer then asked for the opinions of the Workgroup on another piece of legal text for addition into OC6.5, referring to the ESEC protected sites list, and asked whether the text should be placed at the beginning of OC6.5, or into OC6.5.3. The location of this legal text was discussed with the Workgroup, and it was noted that adding the text to the beginning of OC6.5 would influence all areas of Demand Control. The Workgroup therefore agreed that it should be added in as a new clause in OC6.5.3(e), moving the current clause OC6.5.3(e) to OC6.5.3(f). It was also discussed that this legal text should specifically reference Demand Disconnection stages referred to in OC6.5.3(a), rather than Demand Control more generally, to make it clear that Voltage Reduction is not being referred to, since this is a form of Demand Control.

Accordingly, the Workgroup is seeking views in this Consultation on the proposed changes to OC6.1.5 and OC6.5.3.

Whilst not part of the GC0161 proposal (and thus not part of this consultation) the Workgroup noted that it may be of general interest to respondents to be aware that the criteria for a site being placed onto the protected site list is set out in the ESEC which is a document governed by the Secretary of State for the Department of Energy Security & Net Zero. As with other aspects of the Grid Code (as well as the CUSC and BSC) it is not unusual to reference a relevant, non Grid Code document (in this case the protected site list) for a separate, but related, Grid Code purpose.

Draft legal text

The draft legal text for this change can be found in Annex 4.

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	Positive Currently, the text does not allow, under certain circumstances, for the	



	efficient operation of the
	electricity system.
(b) Facilitating effective competition in the generation and	Neutral
supply of electricity (and without limiting the foregoing, to	The modification is related
facilitate the national electricity transmission system being	to demand control in the
made available to persons authorised to supply or generate	event of there being a
electricity on terms which neither prevent nor restrict	shortfall in active power to
competition in the supply or generation of electricity);	meet demand. There is no
	implication to fair
	competition of assets.
(c) Subject to sub-paragraphs (i) and (ii), to promote the	Neutral
security and efficiency of the electricity generation,	OC6 Demand Control aims
transmission and distribution systems in the national	to manage the system
electricity transmission system operator area taken as a	under events when there is
whole;	a shortfall in active power.
(d) To efficiently discharge the obligations imposed upon the	Positive
licensee by this license and to comply with the Electricity	This modification will enable
Regulation and any relevant legally binding decisions of the	DNOs to remain compliant
European Commission and/or the Agency; and	to Grid Code obligations in
	the event of a shortfall in
	active power.
(e) To promote efficiency in the implementation and	Neutral
administration of the Grid Code arrangements	This modification will not
	promote additional
	efficiency.

Standard Workgroup consultation question: Do you believe that GC0161 Original proposal better facilitates the Applicable Objectives?

When will this change take place?

Implementation date

Mid-September 2023

Date decision required by

Mid-September 2023

Implementation approach

It is envisaged that DNOs may need to make changes to their processes to allow sites to be protected where technically feasible.

Standard Workgroup consultation question: Do you support the implementation approach?

ESO

Interactions				
☐Grid Code	□BSC	□STC	□SQSS	
□European	☐ EBR Article 18	□Other	⊠Other	
Network Codes	T&Cs ¹	modifications		

Changes to this modification will cause changes in Distribution Code as DNOs may need to revise their plans for disconnecting sites and customers on receipt of an OC6 instruction.

How to respond

Standard Workgroup consultation questions

- Do you believe that the Original Proposal better facilitates the Applicable Objectives?
- 2. Do you support the proposed implementation approach?
- 3. Do you have any other comments?
- 4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?

Specific Workgroup consultation questions

- 5. Do you agree with the proposed change to the wording in OC6.1.5 (if not, please provide your rationale)?
- 6. Do you agree with the addition of the clause in OC6.5.3 (if not, please provide your rationale)?
- 7. Do you understand the proposed modification to mean that not all consumers' sites that are on the ESEC protected site list will be protected all the time?
- 8. Do you believe that any other sections of the Grid Code will be impacted by this modification?

The Workgroup is seeking the views of Grid Code Users and other interested parties in relation to the issues noted in this document and specifically in response to the questions above.

Please send your response to <u>grid.code@nationalgrideso.com</u> using the response proforma which can be found on the <u>GC0161 modification page</u>.

In accordance with Governance Rules if you wish to raise a Workgroup Consultation Alternative Request please fill in the form which you can find at the above link.

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Acronyms, key terms and reference material Acronym / key term | Meaning

¹ If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the Electricity Balancing Regulation (EBR – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.



BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
ESEC	Electricity Supply Emergency Code
ESPR	Electricity Shortfall Prioritisation Review
ESO	Electricity System Operator
GC	Grid Code
OC6	Operating Code 6
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

Reference material

- Electricity Supply Emergency Code
- Transmission License Standard Conditions

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Draft Terms of reference – to be approved at the June Grid Code Review Panel
Annex 3	Urgency letters
Annex 4	Draft legal text