National Grid ESO Faraday House, Gallows Hill Warwick, CV34 6DA

ESO

Rob Marshall Acting Independent Chair Grid Code Review Panel

Gurpal Singh Ofgem **By email**

28 July 2023

Dear Gurpal

Grid Code Review Panel (GCRP) Request for Urgency and Recommended Timetable for GC0162: Changes to OC6 to amend the operational timings for the delivery of the additional demand reduction above 20%, with a focus between 20% and 40%.

On 20 July 2023, the ESO raised **GC0162**. The Proposer sent a request to the GCRP ("the Panel") Secretary for this modification proposal to be treated as urgent.

GC0162 aims through minor alterations to OC6 to amend the operational timings for the delivery of the additional demand reduction above 20%, with a focus between 20% and 40%.

All documentation for this modification proposal can be located via the following link:

<u>GC0162: Changes to OC6 to amend the operational timings for the delivery of the additional demand reduction above 20%, with a focus between 20% and 40% | ESO (nationalgrideso.com)</u>

The GCRP ("the Panel") on 27 July 2023, considered **GC0162** and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Proposer set out their rationale for urgency against Ofgem's urgency criteria (b) and (c), which is as follows:

b) A significant impact on the safety and security of the electricity and/or gas systems

If we don't urgently resolve this issue and there is a significant shortfall event impacting the security of the electricity system this winter 23/24, the present arrangements could result in critical sites being disconnected, resulting in detrimental impact on society. This modification proposal is to amend the operational timing requirements to disconnect between 20% and 40% of demand, and remove the prohibition from protecting customers, allowing ESEC style blocks to be used, and thus enabling the protection of critical sites.

c) A party to be in breach of any relevant legal requirements

DNOs could become non-compliant with OC6, if they were encouraged by stakeholders e.g. the ESO, Government and Customers to protect sites when implementing demand disconnection.

Panel Consideration of the Request for Urgency

The Panel considered the request for urgency with reference to the <u>Ofgem</u> <u>Guidance on Code Modification Urgency Criteria</u>. The majority view of the Panel is that **GC0162 does meet** Ofgem's urgency criteria¹. Therefore, the recommendation of the Panel is that **GC0162 should** be treated as an Urgent Grid Code Modification Proposal.

Panel members set out their rationale behind this decision:

- Eight Panel members agreed with the Proposer's justification that there was a significant impact on the safety and security of the electricity and/or gas systems and therefore it met Ofgem's urgency criteria (b).
- Six Panel members also agreed that DNOs may be in breach of relevant legal requirements e.g. compliance with OC6 if they were to protect sites when implementing demand disconnections and, therefore it met Ofgem's urgency criteria (c).
- However, some concerns were raised by the Panel which were incorporated into the Terms of Reference for the Workgroup to consider:
 - Focusing on the arrangements for demand disconnection in the range 20%-40%.
 - Whether it is appropriate to remove the prohibition on protecting site supplies, where technically feasible, for demand disconnection in the range 20%-40% (similar to the way in which GC0161, if approved, would remove the prohibition on protection site supplies for demand disconnection in the range 0-20%).
 - Undertaking analysis to identify any adverse implications for the security of supplies to customer generally arising from the protection of supplies to critical sites due to the increased switching times that are associated with GC0162.
 - Whether there are any adverse implications on the reserve requirements on generators and the application of SQSS Chapter 3 requirements.
- Two Panel members disagreed with the Proposer's justification and felt that GC0162 did not meet the urgency criteria because it would not adequately secure the system in an emergency event, if DNO switching times were increased rather than decreased.

c) A party to be in breach of any relevant legal requirements.

¹ Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

a) A significant commercial impact on parties, consumers or other stakeholder(s); or

b) A significant impact on the safety and security of the electricity and/or gas systems; or

The Panel also agreed that GC0162 should be assessed by a joint Distribution Code/ Grid Code Workgroup.

Procedure and Timetable

The Panel discussed an appropriate timetable for **GC0162** in the instance that urgency is granted.

The Panel agreed that **GC0162**, subject to Ofgem's decision on urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**). In Appendix 2 of this letter, the Code Administrator has also provided the timeline if this follows standard timescales with the assumption that Panel prioritise this high in the prioritisation stack.

Panel noted that if urgency is required, there would be;

- A Workgroup nomination period of less than 15 working days;
- A Workgroup Consultation period of less than 15 working days;
- Less than 3 clear working days for the Workgroup to review the final Workgroup report;
- A potential for the Code Administrator Consultation period to be less than one calendar month (if the solution does not impact Regulated Sections);
- Less than 5 clear working days between publication of the Draft Final Modification Report and Panel's recommendation; and
- Less than 5 clear working days for Panel to check that their Recommendation Vote had been recorded correctly.

Under Grid Code Section GR.23.4, the Panel are now consulting the Authority as to whether this modification proposal is an Urgent Grid Code Modification Proposal.

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response.

Yours sincerely

Jell

Rob Marshall Acting Independent Chair of the Grid Code Review Panel

Appendix 1– Urgent Timeline

| Medification Otoma | Data |
|---|---------------------------------|
| Modification Stage | Date |
| Request for Urgency Received | 20 July 2023 |
| Panel consideration of Urgency | 27 July 2023 |
| Workgroup Nominations | 28 July 2023 (9am) to 04 August |
| | 2023 (5pm) |
| Ofgem decision on Urgency | 04 August 2023 (by 5pm) |
| Workgroup 1 – Joint DCode and Grid Code | 10 August 2023 |
| Workgroup 2 – Joint DCode and Grid Code | 23 August 2023 |
| Workgroup 3 – Joint DCode and Grid Code | 29 August 2023 |
| Workgroup 4 – Joint DCode and Grid Code | 08 September 2023 |
| Workgroup Consultation | 12 September 2023 (9am) to 18 |
| | September 2023 (5pm) |
| Workgroup 5 – Joint DCode and Grid Code | 21 September 2023 |
| Workgroup 6 – Joint DCode and Grid Code | 03 October 2023 |
| Workgroup Report issued to Panel | 09 October 2023 |
| Workgroup Report presented to Panel | 12 October 2023 |
| Code Administrator Consultation | 13 October 2023 to 14 November |
| Subject to change if solution does not impact Regulated | 2023 (5pm) |
| Sections | |
| Draft Final Modification Report issued to Panel | 20 November 2023 |
| and Industry | |
| Draft Final Modification Report presented to Panel | 23 November 2023 |
| / Panel Recommendation Vote | |
| Final Modification Report issued to Panel to check | 23 November 2023 (11am to |
| votes recorded correctly | 12pm) |
| Submit Final Modification Report to Authority | 23 November 2023 (12pm) |
| Authority Decision | 01 December 2023 (5pm) |
| Date of Implementation | By 15 December 2023 |

Appendix 2 – Standard Timeline

| Modification Stage | Date |
|---|----------------------------------|
| Workgroup Nominations | 01 August 2023 to 30 August 2023 |
| | (5pm) |
| Workgroup 1 - Joint DCode and Grid Code | 12 September 2023 |
| Workgroup 2 - Joint DCode and Grid Code | 04 October 2023 |
| Workgroup 3 - Joint DCode and Grid Code | 24 October 2023 |
| Workgroup 4 - Joint DCode and Grid Code | 8 November 2023 |
| Workgroup Consultation | 14 November 2023 (9am) to 05 |
| | December 2023 (5pm) |
| Workgroup 5 Joint DCode and Grid Code | 14 December 2023 |
| Workgroup Report issued to Panel | 17 January 2024 |
| Workgroup Report presented to Panel | 25 January 2024 |
| Code Administrator Consultation | 30 January 2024 to 01 March 2024 |
| | (5pm) |
| Draft Final Modification Report issued to Panel | 20 March 2024 |
| and Industry | |
| Draft Final Modification Report presented to | 28 March 2024 |
| Panel / Panel Recommendation Vote | |
| Final Modification Report issued to Panel to | 02 April 2024 to 09 March 2024 |
| check votes recorded correctly | |
| Submit Final Modification Report to Authority | 10 April 2024 |
| Authority Decision | TBC |
| Date of Implementation | 10 WD after Authority decision |

Appendix 3 – Panel Urgency Vote See separate attachment.