# Grid Code Industry Consultation Response Proforma

**GC0048 – Requirements for Generators – GB Banding Thresholds**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **29 April 2016** to [Grid.Code@nationalgrid.com](mailto:Grid.Code@nationalgrid.com). Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

These responses will be included in the Report to the Authority which is drafted by National Grid and submitted to the Authority for a decision.

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| **Respondent:** | *Graeme Vincent, graeme.vincent@spenergynetworks.co.uk* |
| **Company Name:** | *SP Energy Networks* |
| ***Consultation Questions:*** | |
| i) From your perspective, which of the banding options presented in the consultation document (‘high’, ‘medium’, and ‘low’ is most suitable to apply in the GB synchronous area for the next three-five years? | |
| *Over the next three to five years we believe that the ‘Medium’ option is the most suitable to apply in the GB Synchronous area.* | |
| ii) In respect of your preferred banding option stated in question (i), please can you provide a supporting justification, **particularly focusing on quantifying any costs/savings/benefits** (the attached template is provided as a guide), when it is compared to the other two options presented in this report. | |
| *We do not believe that sufficient justification was given at the time of the comitology process to move from the proposed banding in the RfG to align to those bandings being proposed for Continental Europe, which is far larger synchronous area where higher thresholds would be justified. In all other (smaller) synchronous areas lower threshold values have been adopted to reflect the relative size of the networks and we believe it would be more appropriate for lower bandings to be applied to the GB synchronous area to reflect the differing needs of the Transmission System. The proposed banding would also recognise the particular characteristics of the network in Scotland – which are not reflective of the Continental Europe network to which the ‘High’ option is aligned.* *We further note the sentiments contained within Section 2.1.7 which indicates that ‘the initial banding setting should above all reflect the needs of the local network(s), which we do not believe is satisfied by the proposed ‘high’ banding option.* | |
| iii) Does your preferred banding level adequately protect the interests of all Transmission System and Distribution System Users? If not, why does it fail to do so? | |
| *Yes, we believe so as it ensures that there are sufficient providers of market services to the GBS, which given the changing nature of the generation background may become a more important issue in future years. It would also ensure that local issues in Scotland which are currently managed through the recognition of different bandings can be maintained.* | |
| iv) Do the proposed banding levels strike an appropriate balance between the needs of the System Operator, Network Operators, Generators and other interested parties? If not, why do they fail to do so? | |
| *We believe that the mid-range option (‘medium’) strikes an appropriate balance across GB, whilst acknowledging that it has a close alignment with the current banding splits in the SP Transmission area. Given the changing generation background in GB it is important to ensure that certain technical requirements are maintained to ensure that local issues such as voltage control can be managed, and this option would support this.* | |
| v) Are there additional considerations for the banding level which the Workgroup has so far not taken account of in this report? | |
| *No we believe that both the Working Group and the Report have taken into account the wide ranging issues which surround this issue and have presented the relevant merits and demerits in a fair and balanced manner.* | |
| vi) Please provide any other comments you feel are relevant to the proposed change. | |
| *Whilst the High option aligns with those bandings proposed in Continental Europe there is anecdotal evidence that a number of TSOs in Europe are proposing lower bandings than in the RfG. If this is the case then the arguments underpinning the higher bandings would need to be reviewed, which may need to a further change in three years when a further the review of bandings can be undertaken.* | |
| vii) How do you believe your preferred banding level facilitates the Grid Code/Distribution Code objectives? | |
| *For reference the applicable Grid Code objectives are:*  *(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;* *A medium banding would have a neutral impact on this objective.* *(ii) to facilitate 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);*  A medium banding would we believe have a neutral impact as this option is closer to the current arrangements within GB. Whilst alignment to Continental Europe would provide a degree of harmonisation, additional costs are likely to be incurred by industry parties to resolve specific local issues, which are currently managed through the existing banding arrangements.  *(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; and*  *A medium banding would have a neutral impact on this objective.*  *(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.* *By undertaking this consultation process compliance with Regulation (EU) 2016/631 Article 5 is being demonstrated.* | |
| **Do you have any additional comments?** | |
| *We have no additional comments.* | |