

**Workgroup Consultation Response Proforma****GC0109: Publication of the various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc. ("System Warning Alerts") issued by or to the Network Operator(s).**

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 to [grid.code@nationalgrideso.com](mailto:grid.code@nationalgrideso.com) by **5pm on 16 December 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Paul Mullen at [paul.j.mullen@nationalgrideso.com](mailto:paul.j.mullen@nationalgrideso.com) or [grid.code@nationalgrideso.com](mailto:grid.code@nationalgrideso.com)

Respondent details	Please enter your details
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**For reference the Applicable Grid Code Objectives are:**

- a) *To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity*
- 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);*
- 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 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*
- e) *To promote efficiency in the implementation and administration of the Grid Code arrangements*

**Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.**

Standard Workgroup Consultation questions		
1	Do you believe that the GC0109 Original solution better facilitates the Applicable Objectives?	Yes, for the reasons (as Proposer) that we set out in the Original Proposal.
2	Do you support the proposed implementation approach?	Yes, we support the proposed implementation approach.
3	Do you have any other comments?	<a href="#">Click or tap here to enter text.</a>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No.
Modification Specific Workgroup Consultation questions		
5	The Workgroup have set out four categories for the proposed items to be classified (or not) as System Warning Alerts and have noted that Category 1 System Warning Alerts are already published. The Workgroup have proposed that the System Warning Alerts in Categories 2 and 3 will need to be published and are within the scope of GC0109 whilst System Warning Alerts in Category 4 are outside the scope of GC0109. Do you agree with the Workgroup's list and do you think there is any System Warning Alerts that needs to be included or excluded from publication? Please provide the rationale for your response.	<p>We agree with the four categories for the proposed items to be classified (or not) as System Warning Alerts that the Workgroup has listed.</p> <p>Separate to GC0109, we note that given the recent developments within the GC0147 Workgroup that it may be appropriate at a later date (depending on a decision on that proposal) to reflect the proposed new warnings associated with Embedded Generation within the System Warning Alerts (<b>if</b> they are not included alongside the Category 1 items in terms of being placed on the BMRS).</p>
6	The Workgroup have considered 4 different BMRS Implementation Options and agree that Options 1 and 2 only are suitable for the scope of GC0109. Which of Option 1 or Option 2 do you prefer?. Please provide the rationale for your response.	<p>Option 1 is currently preferred as it involves the least change for all parties concerned. The detrimental aspects of the BMRS system noted in Option 1 are not unique to GC0109 and are not exacerbated by GC0109.</p> <p>Longer term BSC changes may well enhance the BMRS which could therefore address those aspects of concern noted on page 9-10 of the consultation document.</p>

7	<p>The Proposer has suggested a time window of 15 minutes (on a reasonable endeavours basis) for the ESO to issue the System Warning Alert to ELEXON for publication on the BMRS; and a time window of 20 minutes (on a reasonable endeavours basis) from the ESO receiving the System Warning Alert to issue to ELEXON for publication on the BMRS. Do you agree that these time windows are suitable? Please provide the rationale for your response.</p>	<p>Yes, we agree with the two time windows (15 and 20 minutes respectively) as this ensures, in a timely manner, transparency for market participants on System Warning Alerts which are, currently, only available to a limited number of market participants (such as DNOs who participate, for example, in STOR as well as to NGESO itself in its trading activities) which gives rise, for example, to concerns about possible 'insider trading' and 'market abuse' by the parties in receipt of this non-public information who then trade or participate in the market.</p>
8	<p>In the "What is the Impact of this Change" section, the Workgroup has set out the benefits and costs of this change. Do you agree with the Workgroup's view and are there are additional benefits and/or costs to set out? Please provide the rationale for your response.</p>	<p>As has been demonstrated within the proposal; and confirmed in the consultation document; the cost of implementing this change is exceedingly small (at ~£10k).</p> <p>This reflects that the proposed solution utilises existing tools and procedures that the ESO control room, as well as market participants, use today (so does not, for example, require new IT/IS systems or changes).</p> <p>The beneficial impact of this change is well understood – transparency of information on the operation of the transmission system (including, in this case, the System Warning Alerts) leads to deeper understanding and greater clarity of the operation of the transmission system, leading to better decision making, leading to a more efficient electricity market, leading to enhanced competition within the electricity market, leading to lower costs to consumers.</p> <p>That this is the case can be demonstrated by reference to the GB and, wider afield, European system</p>

	<p>operators who have both extolled these benefits of transparency around the electricity system operations.</p> <p>This, for example, has been recognised in this year's ESO Forward Plan (published in March 2020<sup>1</sup>) at:</p> <p><u>Page 9:</u></p> <p><i><u>"As we progress towards our longer term ambitions, we will also work to improve the transparency of our real-time actions and decision making. We believe that this level of information availability to market participants can help their real time decision making and lead to overall benefits for consumers"</u></i> [emphasis added]</p> <p>For the avoidance of doubt, the System Warning Alerts related to GC0109 are examples of real time actions and decision making by the ESO.</p> <p><u>Page 23:</u></p> <p><i><u>"In 2020-21 we [ESO] are going to deliver..."</u></i></p> <p><i><u>"Transparency of data used by our ENCC in our close-to-real-time decision making"</u></i></p> <p>For the avoidance of doubt, the System Warning Alerts related to GC0109 are examples of data used by the ESO in close to real time decision making.</p> <p><i><u>"Benefitting energy consumers this year..."</u></i></p> <p><i><u>"Stakeholders have specifically requested more transparency of ENCC actions. In publishing</u></i></p>
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<sup>1</sup> <https://www.nationalgrideso.com/document/166441/download>

operational planning data, we are allowing stakeholders to make better informed decisions, leading to a better functioning market which will eventually lead to lower bills than otherwise would be the case.”

[emphasis added]

[“...and in the future”]

“Transparency of ESO decision making, and a clear direction of travel for the future of the ENCC as part of the operability strategy report, will give stakeholders confidence that the market is functioning correctly, encouraging more new entrants and driving increased competition”

[emphasis added]

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“This will increase transparency of the operational issues experienced in operating the system. This is linked to the following consumer benefit outcomes: • Improved safety and reliability • Benefits for society as a whole” [emphasis added]

For the avoidance of doubt, the System Warning Alerts related to GC0109 are examples of operational issues experienced by the ESO in operating the GB transmission system.

Going further back than March 2020, ENTSOE, when developing the Network Codes identified, in respect of the explicit benefits of transparency the following:

“Transparency is essential to achieve well-functioning, efficient, liquid and competitive wholesale markets.”

and

*“...transparency is the foundation for creating a level playing field thus increasing competition between different market players”.*

It was for these reasons (and others) that the Commission, guided by the National Regulatory Authorities (including Ofgem) and the Members States (including BEIS) introduced within the transmission System Operation Guideline (SOGL<sup>2</sup>) explicit requirements on the TSOs (NGESO in this case) as well as the NRAs (Ofgem in this case) in respect of both *“ensuring and enhancing the transparency and reliability of information on transmission system operation”* (as set out in Article 4(1)(g) of SOGL).

For the avoidance of doubt, the publication of the System Warning Alerts identified in Categories 2 and 3 with GC0109 is a clear example of ensuring and enhancing the transparency of information on transmission system operation in GB.

The desire for transparency on the part of stakeholders is constantly being expressed to the ESO.

For example, it was noted by the ESO in today's (16<sup>th</sup> December) Operational Transparency Forum webinar (at slide 19) that:

*“Industry feedback suggests that many would like to have a deeper understanding and hence greater clarity about the drivers of our operational decision making.”*

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<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1485&from=EN>

		For the avoidance of doubt, the System Warning Alerts related to GC0109 are examples of providing deeper understanding and hence greater clarity about the drivers of the ESO's operational decision making.
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