

Code Administrator Consultation Response Proforma**GC0147: Last resort disconnection of Embedded Generation, enduring solution**

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 by **5pm on 1 March 2021**. 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 Nisar Ahmed Nisar.ahmed@nationalgrideso.com or grid.code@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Paul Thompson
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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 in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the GC0147 Original Proposal or WAGCM1-7 better facilitates the Applicable Objectives?	<p>As set out below, it is important that compensation arrangements are in place and that there is clarity both on that fact and on the overall procedure that will be followed. This is important both as a general point of fairness but also as a further means of ensuring that disconnection really is only instructed as a last resort.</p> <p>We therefore welcome the consultation on ways of setting this out, although remain concerned that the focus on the Clean Energy Package and the approach taken to its interpretation may mean that very few distribution-connected generators will be compensated.</p> <p>Beyond this, we do not have a single favoured option from those presented. To some extent the preferences on this will depend on individual commercial operators.</p> <p>The alternatives set out do highlight the importance of having a viable commercial mechanism that should mean that disconnections are only instructed in genuinely unforeseen circumstances. We support the reintroduction of the ODFM mechanism and agree it is regrettable that this was not finalised prior to voting on this proposal.</p> <p>We would also stress that this is not purely a short-term issue. Although one would hope that Covid impacts (at least at the scale seen in the last 12 months) will not persist into 2022, the possibility of grid imbalances at the distribution level will remain and likely increase over time. It is therefore important for all participants that this is managed appropriately over the medium and long term.</p>
2	Do you support the proposed implementation approach?	<p><u>Compensation</u></p> <p>We are not in a position to comment on whether the relevant provisions of the Clean Energy Package are engaged, but feel that this is approaching the question from the wrong starting point.</p> <p>Compensation should be paid to generators disconnected as a result of an emergency instruction and this should cover the full scope of costs arising, not merely lost revenue from electricity export. This should be the starting point in principle, not whether the existing legal framework</p>

	<p>means the payment of compensation cannot be avoided.</p> <p>Another advantage of this approach is that it would provide a further incentive to the system operator to ensure that this power genuinely is only used as a last resort. If it were to be used more frequently without compensation, non-synchronous generation might find itself adversely affected, leading to knock-on impacts on investor confidence for new projects.</p> <p><u>Priority order for synchronous generation</u></p> <p>We set out in our response to the workgroup consultation last Autumn that insufficient attention had been given to synchronous generation attached to sites that produce gas on a continuous basis (AD and landfill). We set out substantial environmental and safety concerns that could arise from this, particularly if multiple sites in a single area were instructed to disconnect simultaneously.</p> <p>A key part of these concerns is centred around the consequential loss of the ability to import electricity to site and that by no means do all sites have back up generation on site. Many have agreements for supply of equipment within a set period, which could come under pressure if multiple sites called on this simultaneously. These effects would be exacerbated by the design principle of requiring all DNOs to disconnect the same amount of generation, as some areas have far less non-synchronous generation than others.</p> <p>We proposed that a separate category should be created for these sites, regardless of the extent to which they are associated with a substantial import (the criterion set out in the original proposal).</p> <p>Although the principle of equal amounts of disconnection for all DNOs has been retained, we understand that it was agreed in the working groups that such sites should sit at the bottom of the priority list within category 3.</p> <p>We would welcome this approach, as it would have much the same effect as we proposed in our earlier consultation response. This is not referred to in the current consultation, however, and we would ask</p>
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		that this is spelled out in the final documents so that there is clarity for both DNOs and affected site operators.
3	Do you have any other comments?	No.