

**Code Administrator Consultation Response Proforma****GC0134: Removing the telephony requirements for small, distributed and aggregated market participants who are active in the Balancing Mechanism**

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 **07 June 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Nisar Ahmed [Nisar.ahmed@nationalgrideso.com](mailto:Nisar.ahmed@nationalgrideso.com) or [grid.code@nationalgrideso.com](mailto:grid.code@nationalgrideso.com)

Respondent details	Please enter your details
Respondent name:	Antony Johnson
Company name:	National Grid ESO
Email address:	Antony.Johnson@nationalgrideso.com
Phone number:	07966 734856

**I wish my response to be:**

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

*Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.*

**For reference the Applicable Grid Code Objectives are:**

- To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity*
- 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);*
- 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;*
- 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*
- 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 GC0134 Original Proposal or better facilitates the Applicable Objectives?	<p><b>Yes.</b></p> <p>This modification removes a barrier to entry and helps small, individual or aggregated generators and demand providers enter the Balancing Mechanism. This increases competition and gives the ESO visibility and control of additional capacity, leading to lower balancing costs and ultimately lower consumer bills than would otherwise be the case.</p> <p>There are also longer-term benefits as some small generators entering the BM below the proposed threshold would be expected to grow beyond those thresholds in time and therefore then move to providing 24/7 telephony.</p> <p>The proposed thresholds have been set high enough that they give the opportunity for small generators to benefit, but low enough that they create no risk to system security.</p> <p>However, to mitigate any risk that could develop in the future, the ESO will review the thresholds regularly to monitor the cumulative volume of eligible BM participants who are not providing 24/7 staffed telephony. If the volume grows significantly and becomes a risk to system security, a revision of the requirements would be proposed.</p>
2	Do you support the proposed implementation approach?	<b>Yes.</b>
3	Do you have any other comments?	For the avoidance of doubt, it is worth stating that this modification does not exclude any Grid Code users from providing any other services.

		<p>If an eligible generator or demand provider chooses not to provide 24/7 telephony as this modification allows, then by definition they would not be able to provide any other services that do require 24/7 telephony. This would be a decision for the User to make. If they did provide or want to provide another service that requires 24/7 telephony, then it would remain their choice to do so. The modification does not add any new obligations, but simply provides an option for those below the thresholds.</p>
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