

**Workgroup Consultation Response Proforma****GC0160: Grid Code Changes for BSC Mod P448 - “Protecting Generators subject to Firm Load Shedding during a Gas Supply Emergency from excessive Imbalance Charges”**

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 12 October 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

If you have any queries on the content of this consultation, please contact Milly Lewis [milly.lewis@nationalgrideso.com](mailto:milly.lewis@nationalgrideso.com) or [grid.code@nationalgrideso.com](mailto:grid.code@nationalgrideso.com)

If you would like more information on the BSC Modification P448 or would like to respond to the P448 Workgroup Consultation, please click [here](#).

Respondent details	Please enter your details
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**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*

**For reference, the Electricity Balancing Regulation (EBR) Article 3 Objectives and regulatory aspects are:**

- a) *fostering effective competition, non-discrimination and transparency in balancing markets;*
- b) *enhancing efficiency of balancing as well as efficiency of national balancing markets;*
- c) *integrating balancing markets and promoting the possibilities for exchanges of balancing services while contributing to operational security;*
- d) *contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector while facilitating the efficient and consistent functioning of day-ahead, intraday and balancing markets;*
- e) *ensuring that the procurement of balancing services is fair, objective, transparent and market-based, avoids undue barriers to entry for new entrants, fosters the liquidity of balancing markets while preventing undue market distortions;*
- f) *facilitating the participation of demand response including aggregation facilities and energy storage while ensuring they compete with other balancing services at a level playing field and, where necessary, act independently when serving a single demand facility;*
- g) *facilitating the participation of renewable energy sources and supporting the achievement of any target specified in an enactment for the share of energy from renewable sources.*

**What is the EBR?**

The Electricity Balancing Regulation (EBR) is a European Network Code introduced by the Third Energy Package European legislation in late 2017.

The EBR regulation lays down the rules for the integration of balancing markets in Europe, with the objectives of enhancing Europe's security of supply. The EBR aims to do this through harmonisation of electricity balancing rules and facilitating the exchange of balancing resources between European Transmission System Operators (TSOs). Article 18 of the EBR states that TSOs such as the ESO should have terms and conditions developed for balancing services, which are submitted and approved by Ofgem.

**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 Original Proposal better facilitates the Applicable Objectives?	Mark the Objectives which you believe the Original solution better facilitates:
		Original <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		Yes. If BSC modification P448 is implemented, then GC0160 or an equivalent mechanism would need to be in place to reflect the commercial position of the generator and enable the BOA to be actioned. Our view is that this proposal would be positive against applicable objective (c) as it would promote the security and efficiency of electricity generation and transmission.

2	Do you support the proposed implementation approach?	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>There has been limited discussion related to the implications of altering the PN definition and any impact this may have on existing related processes. We expect that additional changes may be required to mitigate any unintended consequences on systems, notification generation and reporting.</p>
3	Do you have any other comments?	<p>The clarification to the workgroup by Ofgem that the proposed use of PN's to reflect a commercial position, and not the physical intent of the generator is permissible has been reassuring. We think the workgroup should seek further clarification on the obligations related to REMIT notifications related to the gas emergency and the curtailment of gas generation so all parties can understand how notifications during the event are likely to be sequenced.</p> <p>There has been limited consideration so far of the potential impacts on the processes to issue system warnings where these have an interaction with physical notifications, including capacity market notifications. If PNs are kept high to reflect a contracted position this may affect the issuing of electricity warning notices such as the Negative Reserve Active Power Margin (NRAPM)s, Inadequate System Margin and Capacity Market Warnings and hence create a new risk to the electricity system as parties may not be fully aware a developing problem. We suggest that the workgroup explore this topic and determine the systems and algorithms PN's interact with, and any mitigations required prior to the final consultation.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>We do not wish to raise an alternative at this time.</p>
5	Do you agree with the Workgroup's assessment that GC0160 does not impact the Electricity	<input type="checkbox"/> Yes <input type="checkbox"/> No

	Balancing Regulation (EBR) Article 18 terms and conditions held within the Grid Code?	It was determined that BSC modification P448 did impact the EBR and would be consulted on accordingly. There has not been an assessment in workgroup of the impact specifically from the GC0160 changes.
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**Specific Workgroup Consultation questions**

6	Based on the outline of the potential BSC alternatives, do you have any comments on their likely impacts on the Grid Code?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		We do not have any comments.