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Grid Code Modification Proposal Form		
<h2>GC0179: Removal of Balancing Code No.4 from the Grid Code</h2> <p>Overview: Balancing Code No.4 (BC4) covers TERRE Processes. This modification seeks to remove this section from the Grid Code due to it being no longer required following the exit of the United Kingdom from the European Union and the discontinuation of all TERRE systems from 31/12/2025. This modification will also remove all references to TERRE from the Grid Code.</p>		<p>Modification process & timetable</p> <ol style="list-style-type: none"> 1 Proposal Form 12 March 2025 2 Code Administrator Consultation 04 December 2025 – 12 January 2026 3 Draft Final Modification Report 21 January 2026 4 Final Modification Report 11 February 2026 5 Implementation 10 Business Days after Decision
<p>Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.</p>		
<p>This modification is expected to have a: Low impact Generators, Transmission System Owners, Interconnectors, Network Operators, National Energy System Operator</p>		
<p>Modification drivers: Efficiency</p>		
<p>Proposer's recommendation of governance route</p>	<p>Standard Governance modification to proceed to Code Administrator Consultation</p>	
<p>Who can I talk to about the change?</p>	<p>Proposer: Amanda Rooney Amanda.rooney@neso.energy</p>	<p>Code Administrator Contact: Grid.code@neso.energy</p>

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Contents

What is the defect you are trying to resolve?	3
Why change?.....	3
What is the Proposer's solution?	3
What is in and out of scope?	3
Legal text.....	4
What is the impact of this change?	4
Proposer's assessment against Grid Code Objectives	4
When will this change take place?	5
Implementation date:	5
Proposer's justification of Implementation date:.....	5
Date decision required by	5
Implementation approach.....	5
Proposer's justification for governance route	5
Interactions	6
Industry engagement and feedback	6
Acronyms, key terms and reference material	6
Annexes.....	7

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What is the defect you are trying to resolve?

In 2018, processes to allow market participants and the Transmission System Operators to coordinate with one another to facilitate participation in the EU Trans-European Replacement Reserve Exchange (TERRE) were introduced into the Grid Code via Grid Code modification GC0097. The modification sought to align the Balancing and Settlements Code (BSC) with the European Balancing Project TERRE (Trans-European Replacement Reserves Exchange) requirements. On 31 December 2020, the transition period ended, and the United Kingdom left the EU single market and customs union, and EU law ceased to apply to the UK. In April 2021, the TSO National Grid ESO (Great Britain) gave notice to the TERRE Steering Committee on their will to exit the TERRE project, as part of the decision on Brexit and in line with the provision included in the Cooperation Agreement. The Final Trade and Cooperation Agreement (TCA) meant that GB participation as a third country to exchange Replacement Reserves (RR) using TERRE in the way it was originally envisaged is not permitted. BC4 is therefore not applicable as it was originally intended. On 31 December 2025 operations in the LIBRA platform (TERRE software) will have to be stopped due to legal constraints. BC4 will never be operable text.

Why change?

The change is proposed to remove this section of the Grid Code which is redundant with the aim of achieving an accurate Grid Code.

What is the Proposer's solution?

To remove the contents of BC4 from the Grid Code because it is redundant. This modification will also remove references to BC4 from the Grid Code Governance Rules and remove references to TERRE from the Glossary and Definitions. This is in line with other Industry Code solutions.

What is in and out of scope?

Removal of the contents of BC4 from the Grid Code and amendment to Governance Rules section (Annex GR. B) are in scope, in addition to removal of references to TERRE from the Glossary and Definitions.

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There are references to BC4 within the European Compliance Processes and Operating Code 5, including in figures. However, these instances of BC4 refer to a type of Limited Frequency Sensitive test¹ rather than to Balancing Code 4, so these references will not be removed from the Grid Code.

Legal text

Legal text for this change can be found in Annex 01.

What is the impact of this change?

Very minimal impact is anticipated to all impacted parties since the proposed change does not seek to introduce any new obligations to any Grid Code parties. It seeks to remove current obligations as they are not applicable anymore.

Proposer's assessment against Grid Code Objectives	
Relevant Objective	Identified impact
(i) To permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;	Neutral
(ii) 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);	Neutral
(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;	Neutral
(iv) To efficiently discharge the obligations imposed upon the licensee by this license* and to comply with the Electricity Regulation and any relevant legally	Neutral

¹ The Limited Frequency Sensitive Tests are referred to in both the European Compliance Processes and Operating Code 5. They are also referenced within the [Guidance Notes for Power Park Modules](#).

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binding decisions of the European Commission and/or the Agency; and	
(v) To promote efficiency in the implementation and administration of the Grid Code arrangements	Positive Removal of a redundant section will result in a more accurate Grid Code.

* See *Electricity System Operator Licence*

When will this change take place?

Implementation date:

10 Business Days following Decision

Proposer's justification of Implementation date:

Users are not expected to be impacted in a material way.

Date decision required by

Mid 2026 – TERRE systems will be discontinued from 31 December 2025 so the text in BC4 is redundant.

Implementation approach

No systems or processes are anticipated to require changes as a result of this modification.

Proposer's justification for governance route

Governance route: Standard Governance modification to proceed to Code Administrator Consultation

BC4 is referenced in the Mapping of Electricity Balancing Regulation Article 18 Terms and Conditions for Balancing Service Providers and Balancing Responsible Parties to the Grid Code which are considered to be Regulated Sections so the modification must follow the Standard Governance Route. This modification was previously proposed to follow the Workgroup process however no nominations were received despite extending the Workgroup nominations window. Since this, the modification has been presented to industry via the Grid Code Development Forum, where no material feedback has been received, so the modification is proposed to proceed to Code Administrator Consultation.

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Interactions

<input type="checkbox"/> CUSC	<input checked="" type="checkbox"/> BSC	<input type="checkbox"/> STC	<input type="checkbox"/> SQSS
<input type="checkbox"/> European Network Codes	<input checked="" type="checkbox"/> EBR Article 18 T&Cs ¹	<input type="checkbox"/> Other modifications	<input type="checkbox"/> Other

There are TERRE related obligations in the BSC. Elexon have committed to raising a modification related to TERRE as they also hold redundant parts of code.

BC4 is listed in the Regulated Sections of the Grid Code due to an EBR interaction.

Industry engagement and feedback

This modification was presented at the Grid Code Development Forum (GCDF) on 05 November 2025 and received no material feedback from industry.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BC4	Balancing Code No.4
BSC	Balancing and Settlement Code
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
GC	Grid Code
GCDF	Grid Code Development Forum
SQSS	Security and Quality of Supply Standards
STC	System Operator Transmission Owner Code
RR	Replacement Reserves
T&Cs	Terms and Conditions
TCA	Trade and Cooperation Agreement
TERRE	Trans-European Replacement Reserve Exchange

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Annexes

Annex	Information
Annex 01	GC0179 Legal Text