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Code Administrator Consultation

GC0179: Removal of Balancing Code No.4 from the Grid Code

Overview: Balancing Code No.4 (BC4) covers Trans-European Replacement Reserve Exchange (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 December 2025. This modification will also remove all references to TERRE from the Grid Code.

Modification process & timetable



Have 30 minutes? Read the full Code Administrator Consultation.

Have 60 minutes? Read the full Code Administrator Consultation and Annexes.

Status summary: We are now consulting on this proposed change.

This modification is expected to have a: Low impact

Generators, Transmission System Owners, Interconnectors, Network Operators, National Energy System Operator

Modification drivers: Efficiency

Proposer's recommendation of governance route	Standard Governance modification to proceed to Code Administrator Consultation	
Who can I talk to about the change?	Proposer: Amanda Rooney Amanda.rooney@neso.energy	Code Administrator Contact: Grid.code@neso.energy
How do I respond?	Send your response proforma to grid.code@neso.energy by 5pm on 06 February 2026	

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What is the issue?

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 requirements. On 31 December 2020, the transition period for the UK-EU Trade and Cooperation Agreement (TCA) 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, National Grid ESO (the Great Britain TSO) gave notice to the TERRE Steering Committee on their will to exit the TERRE project, as part of the Brexit decision and in line with the provision included in the Trade and 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 in the way that 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 efficient Grid Code.

What is the solution?

The Proposer's solution is 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 and its associated definitions, including Replacement Reserve, from the Glossary and Definitions.

What is in and out of scope?

Removal of the contents of BC4 from the Grid Code and amendment to the 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 02**.

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, and it is currently not possible for parties to implement BC4 requirements. 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	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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the Electricity Regulation and any relevant legally 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 a Decision by the Authority

Proposer's justification of Implementation date

NESO and Users are not expected to be impacted in a material way, and hence there is no reason to delay the implementation.

Date decision required by

There is no specific decision required date, so the Proposer has suggested mid 2026 – TERRE systems were discontinued in 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 be developed by a Workgroup however no nominations were received despite extending the Workgroup nominations window. This modification was subsequently presented to

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industry via the Grid Code Development Forum, where no material feedback has been received, so it is proposed that the modification proceeds to Code Administrator Consultation.

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.

How to respond

Code Administrator Consultation questions

- Please provide your assessment for the proposed solution against the Applicable Objectives versus the current baseline?
- Do you support the proposed implementation approach?
- Do you have any other comments?
- Do you agree with the Workgroup's assessment that the modification does impact the Electricity Balancing Regulation (EBR) Article 18 terms and conditions held within the Code?
- Do you have any comments on the impact of GC0179 on the EBR Objectives?

Views are invited on the proposals outlined in this consultation, which should be received by 5pm on **06 February 2026**. Please send your response to grid.code@neso.energy using the response pro-forma which can be found on the [modification page](#).

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full

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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.

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

Annexes

Annex	Information
Annex 01	GC0179 Proposal Form
Annex 02	GC0179 Legal Text