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Our Reference:

Your Reference:

Date : 15th January 2004

Dear Bridget,

### **GB Grid Code CCs, OC5 and GCs - mini Consultation**

Thank you for the opportunity to comment on this mini consultation. We have made general comments referencing the consultation document paragraphs, and more specific comments using the proposed GB Grid Code (GBGC) numbering.

#### **General Comments**

The most significant issues arise in relation to the applicability of the proposed GBGC to existing Scottish generation. In paragraph 4.11 of the consultation, it is noted that the explicit statement of SGC CC 1.3, “that the Company will not (generally) seek to impose retrospective changes on Users” does not have an equivalent in the proposed GBGC. It is however stated that the current E&W Grid Code (EWGC) implicitly does not apply retrospective changes through the inclusion of specific dates e.g. CC 6.2.1.2(a). It is further stated that through consultation, Users are able to identify those changes that would have a material impact on them at the proposal stage. In the context of retrospective changes, the implication here is that changes that cause a material impact will not be imposed.

We have two points to make on the above:

- i) In our response to the first GBGC consultation we stated that it would be unacceptable for existing Scottish generators operating under the existing SGC in the integrated GB system to have to face increased obligations and costs to continue operation. Whilst the inclusion of the BETTA date in certain provisions of the GBGC is a tacit acknowledgement of such a principle, it only applies to particular sections rather than the whole of the GBGC. We would ask Ofgem to make it clear that the provisions of the GBGC will not impose any more onerous obligations on existing Scottish generators than exists under the SGC, or are more onerous than on equivalent generation outwith our area. These existing Scottish generators should not be considered “new” in relation to the GBGC provisions.

- ii) Notwithstanding acknowledgement of this principle, the introduction of the regional differences in relation to Large, Medium and Small Power Stations and the removal of the Cascade provisions will impose additional obligations and costs onto those existing Scottish generators particularly in comparison with equivalent generators outwith our area. In our previous response, we have identified that these changes would have a material impact on our generation, and that we find this unacceptable. As noted above, in relation to retrospective changes, the implication is that once identified through consultation, changes that impose a material impact will not be imposed. From our perspective this does not seem to be the case.

In a similar vein, paragraph 4.1.3 raises issues of the general application of the GBGC to exemptable embedded generators. As noted above, the application of regional differences in the new definitions of Large Medium and Small Power Stations causes us concern. We believe that the application of these definitions is inconsistent with the licensing regime. As a consequence, the proposed regionally varied definitions should not apply. We do not believe that the GBGC should be imposed on any embedded exemptable generators. Otherwise, this would introduce regional discrimination against Scottish embedded generation.

One more point on this issue is in relation to paragraph 4.30. Whilst we welcome the recognition of the BETTA Go-live date into the GBGC as a substitute for the NETA Go-live date, we are not clear what relevance the NETA Go-live date and the obligations associated with the NETA Go-live date have to Scottish generation. We believe that there should not be any more onerous obligations imposed on Scottish generation than exist at present, and if, as suggested, the licensees need to apply for derogations to the GBGC provisions for existing generation, then we need to understand how and when this process will take place. In addition, we would welcome general confirmation by Ofgem the principle that existing Scottish generation will not be adversely impacted by the introduction of the GBGC.

In paragraph 1.6 of the consultation the approach to the inclusion of regional differences into the GBGC, is one where a subjective decision is made, “where these are material”. It is not clear to us how or who makes this decision, or who is involved in this decision making process, e.g. is the Grid Code Expert Group (GCEG) the decision making body?

In paragraph 1.7 of the consultation, reference is made to the activities being undertaken under the auspices of the GBGC by both the GBSO and the TOs, and that these would be catered for through the STC. As noted in our previous response to the first GBGC consultation, we continue to believe that the Scottish TOs need to be represented on the GBGC Review Panel for both commercial and safety reasons, and that it would be unacceptable for the GBGC Review Panel to put forward changes that affected the Scottish TOs when they are not represented on the Panel.

Paragraph 4.18. As noted above we do not agree with the regional differences in the definition of Large, Medium and Small Power Stations.

Paragraph 4.29. We do not believe that there needs to be a regional difference. The provisions of the EWGC should therefore apply across GB. Existing generation in Scotland that provide such services will continue to be capable of doing so, and if these services are needed, then they will be capable of being made commercially available to the SO. In the GB market, there should be no discrimination between equivalent generation in Scotland and E&W.

## **Specific Comments**

CC 6.1.7 (b). We agree with the proposed change, that clarifies the requirements for 132kV.

CC 6.2.1.1(a). Should there be differences in the licence standards there may be a requirement for a regional difference in the GBGC.

CC 6.2.1.2(a) & (b). Instead of not proposing a regional difference at this time, it may have been more correct to state that further consideration will be required following the implementation of arrangements in relation to the governance of electrical standards.

CC 6.2.2.2.2(a). It is stated that slower fault clearance times can be specified in the bilateral, if acceptable to NGC. Since the SGC provides only for these slower times then how would this be put in place and when can this be done?

CC 6.2.2.3.2. There should be no requirement for retrospective fitting of protection requirements for existing generation.

CC 6.5.2 – 6.5.5. It is noted that detailed arrangements are being developed as part of the work of the STC. How will these findings be consulted on?

CC 7.3 & 7.4. The decision on whether a regional difference should be included or not should await the outcome of the STEG deliberations.

I hope that you find our comments useful, please give me a call if you wish to discuss any of them further.

Yours sincerely

Rob McDonald  
Group Regulation Manager