

Joint Grid Code and Distribution Code Review Panels Working Group

Implementation of Technical Requirements for Licence Exempt Embedded Medium Power Stations

Notes of Third Meeting held on 1 December 2003 at NGT House, Warwick

Present

| | |
|----------------|-------------------------------------|
| Andy Balkwill | National Grid (Chair) |
| Sue Newbould | National Grid (Technical Secretary) |
| Mike Kay | United Utilities |
| Patrick Hynes | National Grid |
| Claire Maxim | Powergen |
| John Norbury | Innogy |
| Guy Nicholson | Econnect |
| Nigel Turvey | Western Power |
| Chris Berry | SP PowerSystems |
| Bridget Morgan | Ofgem (observer) |

Apologies

| | |
|---------------|----------------|
| James Glennie | BWEA |
| Charlie Zhang | EDF Energy plc |

Notes and Actions

Introduction

1. AB suggested the following as agenda items:
 - Review of notes and actions
 - Feedback from the GCRP
 - Terms of Reference of the joint GCRP/DCRP working group
 - PH's table summarising the Grid Code provisions on Medium Power Stations
 - Liability issues

Review of notes of 2nd Meeting held on 14 October 2003

2. MK queried whether AB was able to confirm his initial thoughts in Note 13 as to which took precedence out of the CUSC or the Grid Code. AB clarified that both are separate and neither code states which takes preference. AB advised that should there be a conflict then a change would be required to one or the other.
3. Note 14 to be amended in accordance with MK's request to include the additional word "although" as follows: "The WG was coming to the view that Option 2 appeared to offer the best route and decided to examine Option 2 against the set of criteria in more detail. It considered the practicality of who undertook the testing and monitoring and decided that *although* the DNO would need to be party to the process, they need not necessarily have to do it. National Grid should deal with the compliance issues."

4. With regards to Note 8, BM thought she said National Grid should be looking at the existing Grid Code with a view of determining whether it is fit for purpose. This was agreed and the notes are to be amended accordingly.
5. JN clarified Note 24. JN was actually questioning the applicability of the other obligations on Medium Power Stations such as participation in the Balancing Market. The notes are to be amended accordingly.

Review of actions of 2nd Meeting held on 14 October 2003

6. Action 8 completed – Guidance Note on the derogation process has been issued.
7. Action 16 ongoing – AB to establish the link between the Grid Code and CUSC. **Action: AB**
8. Action 17 completed – Grid Code sections applicable to all Medium Power Stations have been identified.
9. Action 18 completed – PH confirmed the Grid Code makes no distinction between licensed and licence exempt Medium Power Stations. JN thought there should be minimal obligations on all Medium Power Stations. MK pointed out that certain technical issues apply to Medium Power Stations which are directly connected and not embedded. GN queried how an unlicensed generator can get a derogation. BM advised a path exists in the form of a link to a condition in the Connection Agreement that they need a derogation.
10. Action 19 ongoing – should be in a position to draft text changes to the Grid Code once PH's draft summary of the Grid Code provisions on Medium Power Stations has been considered at this meeting. **Action: PH**
11. Action 20 ongoing – CUSC 6.5.4 provides for NGC to indemnify the DNO if NGC asks the DNO to de-energise the connection equipment of the User specified in CUSC 6.5.1. The current wording does not capture what we are intending to ask the DNO to do. A consequential change to the CUSC would be needed if an extension to the indemnity in 6.5.4 or 6.5.1 is required. Need to ensure the issues are covered under CUSC governance. MK advised that the DCRP thought at their last meeting that it would be sensible to start drafting the GC and DC in parallel so that there can be a co-ordinated submission to Ofgem and then see what consequential changes are required. **Action: PH**
12. Action 21 ongoing – PH agrees with MK that NGC needs some direct contact with the generator regarding testing and compliance and the DNO needs to agree to what is decided between NGC and the generator. PH advised that OC5 and supplementary compliance documentation relies on the User being a BM participant. If they are not a BM participant then will need to do something different. The route for testing and compliance will be established once it is identified what needs to be tested. **Action: PH**
13. Action 22 completed – AB apologised that timescales associated with his going on leave prevented him from incorporating comments on the progress report he submitted to the GCRP.

14. Action 23 ongoing – the WG thought the obligations on Medium Power Stations would be considered at this meeting when PH tabled his draft summary of the Grid Code provisions on MPS. **Action: PH**

Feedback from GCRP

15. AB has taken an action from the GCRP to review the terms of reference of this WG as the GCRP raised the issue as to whether the ToRs were narrowly drawn since it was not intended that this WG should re-open issues previously addressed by the Generic Provisions WG.
16. AB considered that the existing ToR give the WG scope to review which GC conditions were relevant and so should stand.
17. JN asked whether his understanding was correct that once the WG determines the future mechanism requiring LEEMPS to meet a minimum set of technical requirements, then those wind farms currently having a bilateral agreement with NGC will get something else. This led to a discussion that the DNO would then require a derogation from the D Code and NGC would also need a derogation because the Grid Code was not being met.
18. CB's preferred route is that it is stated beyond a certain date that wind turbine technology has evolved such that it can now meet Grid Code provisions whereas it is acknowledged that before that date the technology was not sufficiently developed. CB cautioned on the need to be aware of the need for derogations on whatever option is selected. The intention is to eliminate the need for a bilateral agreement in the future.
19. JN asked what was intended to happen to the bilateral agreements. BM advised that if an enduring solution was developed then she thought that the DTI might be minded to say that the bilateral agreement could be revoked.
20. AB took an action to produce a note setting out how the contractual arrangements might work in terms of where the obligations may sit and if derogations are needed. **Action: AB**
21. JN thought the interim technical requirements should be put in the Grid Code with drafting in the D Code stating they apply. It was pointed out that these technical requirements are a minimum and time limited because technology is developing.
22. CB queried what incentive there is on manufacturers to make Grid Code compliant technology if there is always a derogation. BM advised that there is an option on the licensee to ask for a derogation but they may not always get it.
23. AB and MK's view was that the WG should look at what is in the Grid Code as it is currently drafted. JN thought the content of the first pass could be the minimum technical requirements for Round 1 wind farms and not what is currently in the Grid Code.
24. PH advised that most of the technical requirements have been covered in Generic Provisions currently with Ofgem and they apply to all large and medium power stations. NGC's view therefore was that the WG should see

what comes out of Ofgem's deliberations whilst MK advised that we need to be careful that the WG does not come up with something that is at odds with Generic Provisions. The test draft text needs to be drafted one for and one without Generic Provisions.

25. JN questioned whether parties with exemptable power stations have responded to Generic Provisions with the thought that the provisions would apply to them. AB advised that NGC has received responses from small power stations.
26. AB said that it would not be reasonable to go back to Round 1 wind farms to ask them to comply with additional technical requirements. There is a tranche going forward where we are seeking to clarify which sections of the Grid Code apply and how they should be applied. In response to JN's query as to whether this would become a non-issue as more developers are applying for over 100MW, AB thought this would continue to be an issue for on-shore developments.
27. AB summarised the above discussions into the following questions:
 - Which sections of the Grid Code and which bits of the technical requirements need to be included in any obligation on Licence Exempt Embedded Medium Power Stations by the D Code.
 - Should the WG be looking at the technical requirements in the bilateral agreement currently in place between NGC and embedded generators seeking licence exemption or should it concentrate on the Grid Code provisions as they stand but keeping an eye on Generic Provisions if they are subsequently approved.

AB concluded that he thought the WG should start by looking at the Grid Code as it stands as the WG should not be re-examining or pre-judging work that is already being considered by Ofgem.

AB thought that with regards to the ToR discussed at the GCRP, the process this WG identifies should not need tweaking from the work of the Generic Provisions WG. Option 2 we are currently considering involves changes to the Grid Code such that obligations are placed on the DNOs to ensure that LEEMPS comply with certain technical requirements set out in the Grid Code.

Requirements in the Grid Code on Embedded Medium Power Stations

Planning Code

28. PH tabled his table summarising the requirements in the Grid Code on embedded Medium Power Stations. This started with the Planning Code. AB is to review the work of the Embedded Power Stations Working Group to establish if they considered how NGC was to get the generator data.
Action: AB
29. PC.3.2 states that embedded Medium Power Stations shall provide the data direct to NGC. This assumes the MPS would have a BEGA with NGC. The WG debated whether NGC should get the data from the generator or via the DNO. A change would be needed to PC.3.2 so that each Network Operator shall provide the information to NGC for Medium Power Stations. The DNO can then decide whether they want to send the generator information to NGC or get the generator to supply the information to NGC direct. If the data comes from the DNO then confidentiality provisions between the DNO and

NGC are covered by CUSC since the DNO is a CUSC party. NGC breaches its licence if it breaks the confidentiality. MK to confirm how confidentiality is covered between the DNO and generator.

Action: MK

30. An action was placed on PH to extract what is implied or stated in the Appendices as to what NGC would expect from Medium Power Stations in the PC.

Action: PH

31. NT expressed his concern about the reality of how the obtaining of the data will work with its inherent delays and the incorrect information being supplied. He said DNOs ask for information they need and not everything they are obligated to get.

32. JN suggested that NGC should consider what timescales are required for needing the data since the data originally provided might not be what actually gets connected. PH advised that the data at this stage is required for NGC to model the system and not to assess against the Grid Code.

33. JN did not see a problem with the generator providing information to NGC via the DNO depending on what NGC does with the data. JN questioned the extent to which NGC needs data. CM suggested the data asked for could depend on the type of developer (national or small).

34. PH advised we need to do another level of detail looking at what stage data is required.

Action: PH

Connection Conditions

35. The Connection Conditions were considered next. PH advised CC.6.3 is subject to Generic Provisions consultation and is not applicable to renewables.

36. GN does not want a scatter gun approach to information required or onerous requirements on MPS.

37. MK suggested a schedule listing the applicable clauses would be easier to read. PH to draft so individual CC clauses are listed.

Action: PH

38. MK said there would need to be a check that the GCRP did not include anything new that was not picked up. AB said the obligations should be set out once in whichever code and then the other refers to it.

39. CM's view was that generators would not want a Guidance Note to the obligations under the Grid Code when this was suggested by AB.

40. CB suggested an additional column headed "BMU" should be added to the spreadsheet. MK advised that the Grid Code applies if BMU. PH advised that he has drawn out participation in the BM in the commentary to CC6.5 and is included in the BCs.

41. With respect to CC8 (Ancillary Services), JN said that the Grid Code was designed such that MPS are required to have the capability of meeting certain

ancillary services. JN does not see the sense in applying CC8 to licence exempt MPS. PH advised they need to be capable of providing the services without actually having to provide them. This issue is being debated by the Generic Provisions Working Group. AB to clarify minimum technical design criteria.

Action: AB

Operating Codes

42. PH advised that OC1 (Demand Forecasts) needs a change such that the DNO is the party obliged to send the data or get it sent by the generator to National Grid.
43. With regards to OC1.5, National Grid wants the MW schedules if reasonably required. MK thought this should be a joint planning issue.
44. PH advised that OC2 (Operational Planning Data) applies, in the main, to large sets and to MPS if directly connected.
45. OC5 (Testing and Monitoring) are clauses that require the generator to allow testing to take place but there would not be a commercial contract between National Grid and the generator. MK said that the D Code/DNO can say National Grid has certain requirements and it is a condition of complying with the licence code that the generator has to go through testing.
46. PH to identify what is required for testing and compliance so that the DNO representatives can consider the impact on the D Code.
Action: PH Action: PH
47. OC6.6.7(a)/(c) gives the DNO the option to exempt the embedded power station from low frequency response.
48. MK noted that for OC7.4.8, Users of the system should receive system warnings. MK said DNOs would have to think about the implications on DNOs for disseminating warnings to smaller power stations. Warnings go to Suppliers. NGC will not have fax numbers of Suppliers who have not registered with NGC.
49. PH advised OC9 (Contingency Planning) is similar to Ancillary Services. If a generator is not a CUSC party then they cannot have a Black Start service. They need to sign CUSC if they want a Black Start Agreement. DNOs do not do Black Start.
50. There is no requirement under OC10 (Event Information Supply) for embedded MPS to supply event information.
51. OC11 (Numbering and Nomenclature) applies to directly connected MPS.
52. OC12 (System Test) applies to all generators.

Balancing Code

53. PH has a meeting with Wokingham to discuss how the Balancing Code applies to embedded MPS. His understanding is that if the generator is licence exempt and not a BM participant then they will not need to comply. PH thinks the BC does not require much redrafting because it only applies to BM participants.

Next steps

54. National Grid to progress actions.

Action: NGC

55. DNOs to think about a form of words based on the places in the Grid Code PH has drawn out (not for comment at this stage).

Action: DNOs

56. GN to review his initial assumptions on the Scottish issues and BETTA and changes to the GB Grid Code. It is proposed that a MPS would be 5-30MW. AB suggested that the WG starts to think about whether we should be capturing the category of large unlicensed generators as the second reading of the Bill is soon.

Action: GN

Next meeting

57. *Post meeting note:* the fourth meeting of the WG is to be held on **Tuesday 20 January 2004** at Powergen's offices at Westwood Business Park, Coventry starting at 10:00.