



National Grid

A REPORT TO THE AUTHORITY

**Pursuant to Paragraph 2 of Condition 7 of the
Transmission Licence.**

**Changes to BC2.9.2.2 to support the issue of
Emergency Instructions for Maximum
Generation Service via electronic data
communication facilities.**

**The purpose of this document is to assist the Authority in its
decision of whether to implement the proposed
Grid Code Modification**

Consultation Reference	B/04
Issue	1
Date of Issue	11 February 2004
Prepared by	National Grid

DISTRIBUTION

Name	Organisation
Authority	Ofgem
GCRP Members/Alternates	Various
National Grid Industry Information Website	

1. Paragraph 2 of Condition 7 of the Transmission Licence granted to the National Grid Company plc ("National Grid") provides that National Grid shall, in consultation with authorised electricity operators liable to be materially affected thereby, periodically review the Grid Code and its implementation. That paragraph also requires National Grid, following such review, to send to the Authority:-
 - (a) a report on the outcome of such review;
 - (b) any proposed revisions to the Grid Code as National Grid (having regard to the outcome of such review) reasonably thinks fit for the achievement of the objectives set out in sub-paragraph (b) of Condition 7 of the Transmission Licence; and
 - (c) any written representations or objections from authorised electricity operators (including any proposals by such operators for revisions to the Grid Code not accepted by National Grid in the course of the review) arising during the consultation process and subsequently maintained.
2. National Grid has just completed a consultation on the wording of Balancing Code 2 – BC2.9.2.2 of the Grid Code. This consultation was concerned with clarifying the mechanism for issuing Emergency Instructions in relation to Maximum Generation Service. Attached as Appendix A is the proposed revision to the current Grid Code Balancing Code 2 (shown in typed form with the deletions crossed through and additions double underlined).
3. The proposed change to the Grid Code was discussed prior to the consultation with the Grid Code Review Panel by e-mail. 14 Panel members responded and all agreed that NGC should consult on the proposed change. In total they represented a majority of members on the Panel. There are currently 16 full time members of the Panel. As a result of these discussions a few minor changes to the draft consultation suggested by members were subsequently incorporated in the consultation.
4. National Grid, in accordance with its obligations under its Transmission Licence, consulted those authorised electricity operators listed in Appendix B by circulating to them Consultation Paper B/04, which was dated 27 January 2003 and which contained the proposed amendments to the Grid Code. A copy of Consultation Paper B/04 is attached to this Report as Appendix C. National Grid also placed a copy of the Consultation Paper on its website to ensure its wide availability.
5. Due to the calrificatory nature of the proposed change and, in NGC's view, the urgency with which the change is required to ensure the system is not put at any undue risk as a result of the service not being available, the consultation period was limited to 5 business days.
6. The proposed revision to the Grid Code is, as indicated above, set out in Appendix A to this Report. By way of summary, the background and proposed change are described below :

Background

7. The Maximum Generation Service was introduced on 28th November 2003 following approval by the Authority on 18th November 2003.
8. In developing the original proposals for the Maximum Generation Service it was NGC's view that the conditions in the Maximum Generation Services Agreement relating to issuing instructions along with the specifications for the electronic data communication facilities were sufficient to satisfy BC2.9.2.2.
9. Ofgem brought to our attention on the 23 January 2004 that it considered that the use of electronic data communication facilities without the prefix 'This is an Emergency Instruction' did not meet the requirements of the Grid Code.
10. NGC discussed and agreed appropriate wording for the consultation with Panel members by e-mail and telephone. The draft consultation document discussed with the Panel members included that the Consultation period was set at 5 business days. The consultation was issued on 27th January 2004 with responses requested by 1700 hours 3 February 2004

Proposed Changes

11. It is proposed that BC2.9.2.2 be changed to allow the issue of instructions for Maximum Generation Service by electronic data communication facilities. The instructions will be issued in accordance with the provisions of the Maximum Generation Services Agreement. The use of the electronic data communication facility for Emergency Instructions will be limited to Maximum Generation Service only. The Maximum Generation Services Agreement clearly states that NGC will issue instruction by electronic data communication facilities.
12. Were this proposal not to be implemented the existing contracts for Maximum Generation Service would become invalid.

Consultation Responses

13. Comments were invited from all such authorised electricity operators by 3 February 2004. National Grid has received responses from 7 authorised electricity operators. Following discussions to clarify some issues raised in the responses all respondents accepted the proposed change with no sustained objections.
14. Several respondents noted their objection to the original proposals contained in consultation J/03 'THE INTRODUCTION OF A "MAXIMUM GENERATION SERVICE"', which were included as part of the report to the Authority on J/03. Nevertheless, considering that the Maximum Generation Service in its current form is being reviewed by the BSSG and this proposed change is of a procedural nature, which is reflected in the contractual position, they were all happy to accept the proposed change.
15. Although accepting the change, some respondents expressed concern that issuing Emergency Instructions by electronic data communication

facilities rather than by telephone could be considered as a 'downgrading' the status of Emergency Instructions. National Grid does not consider the issue of instructions by electronic data communication facilities in any way downgrades the status of Emergency Instructions. The use of electronic data communication facilities was chosen for this service as the most expedient method of issuing such instructions, as would be required under an emergency. When the electronic data communication facilities were designed they incorporated the specific requirement to cover emergency instructions.

16. In the pre consultation discussions with Panel members, one member raised a concern that the use of electronic data communication facilities for issuing emergency instructions could lead to a misunderstanding as to what the emergency action the recipient should actually take. National Grid believes that the design of electronic data communication facilities (and supporting documentation) and the high standard of training of both National Grid's and User's operators, combined with the provisions contained in the bilateral Maximum Generation Services Agreement, that there are sufficient controls in place to ensure the appropriate action is taken when requested.
17. The use of side line marking to the proposed text in Appendix A indicates where the proposed text differs from that of the original consultation. This change takes account of the fact that the original proposed text only covered thermal units. The code that a user would receive is indicated in the bilateral Maximum Generation Services Agreement and the appropriate specifications for the electronic data communication facility that a user has installed.
18. This revised proposed text was communicated to Panel members. In response one member expressed concern at the use of 'Maximum Generation Services Agreement', although did not wish to maintain a sustained objection. This respondent did not agree, as a principle, that the Grid Code should refer to provisions in a non-transparent contract. This comment has been passed on to NGCs representatives on the BSSG working group looking at future revised arrangements for a Maximum Generation Service, to enable it to be considered in the development of any revised arrangements.

19. As indicated above, having regard to the outcome of the review described in this Report, National Grid proposes the revisions to the Grid Code set out in Appendix A, which revisions we reasonably think fit for the achievement of the objectives referred to in sub-paragraph (b) of paragraph 1 of Condition 7 of the Transmission Licence.
20. We would be grateful if you would contact us prior to issuing any letter specifying an effective date. Given the nature of the proposed change we are seeking implementation at the earliest possible opportunity.

SIGNED BY

Patrick Hynes

Industry Codes

11 February 2004

Appendix A

Proposed revision to the Grid Code

Extracts from Balancing Code 2:

BC2.9.2.2 **Emergency Instructions** will always be prefixed with the words “This is an **Emergency Instruction**” except in the case of **Maximum Generation Service** instructed by electronic data communication facilities where the instruction will be issued in accordance with the provisions of the **Maximum Generation Service Agreement**.

Appendix B

List of companies consulted

Distribution List for Consultation Paper B/04

24 Seven
ABB Equity Development Co Ltd
Accord Energy
AEP Energy Services UK Generation Ltd
AES (for Partington Ltd)
AES Barry Limited
AES Drax
AES Fifoots Point Ltd
AES Indian Queens Power
Affinity Power Ltd
Alcan Aluminium UK Ltd
Allied Steel & Wire
Amerada
Angelsey Aluminium
Aquila Networks
Atlantic Electric & Gas Ltd
Atmel North Tyneside Ltd
Baglan Generating Ltd + Baglan Operations Ltd +
Fleetwood Power Ltd
Barclays Capital
Barking Power
BIZZENERGY LIMITED
BNFL + Magnox Electric Ltd
BOC Limited
BP Chemicals Ltd
BP Power Trading Ltd
British Energy Generation Ltd (inc Eggborough
Power)
British Gas Generation Ltd (Centrica KL + Centrica
PB)
British Gas Trading Ltd (3th Floor North)
Burlington Resources (Irish Sea) Ltd
Calanais
Canatxx Energy Ventures Ltd
Celtpower Ltd
Cinergy Global Power (UK) Ltd
Commercial Electricity Supplies Ltd
Conoco
Corby Power Ltd

Corus UK Ltd

Cottam Development Centre
Damhead Creek Ltd
Derwent Co-Generation Limited
Duke Energy International
Dynegy UK Ltd
East Midlands Electricity
Economy Power Ltd
EDF Service National
EDF Trading Ltd
Edison First Power
Electrabel S.A.
Eledor Limited
Emerald Power Generation Ltd
Energy Power Resources Limited
Enfield Energy Centre Ltd
ETCS Limited
Enron Gas and Petrochemicals Trading Ltd
EnizadeLtd
Enron Direct Ltd
Entergy-Koch Trading Ltd
EPN Distribution
Fellside Heat & Power Ltd
Fibre Power (Slough) Ltd
Fibrogen Ltd + Fibropower Ltd + Fibrothetford Ltd
First Hydro Company
First Hydro Company
Fortum Direct Ltd
Fortum Energy plus Ltd
Grangemouth CHP Ltd
Great Yarmouth Power Limited
Greenwich Energy Trading Ltd
Grovehurst Energy Ltd
Heartlands Power Ltd
Humber Power Ltd

ICI Chemicals & Polymers Ltd
Immingham CHP Ltd
Intergen
INEOS Chlor Energy Ltd
Innogy + Innogy (Cogen Trading) Ltd + npower
International Power Plc
Jade Power Generation Ltd
Keadby Gen Ltd + HE Cogen Ltd + HE Energy Ltd

Killingholme Power Ltd

Lakeland Power Ltd
London Electricity plc (+Cottam Power)
London Power Networks
Manweb Services (Imperial Park)
Manx Electricity Authority
Marchwood Power Limited
Maverick Energy Ltd
Medway Power Ltd
Midlands Gas Ltd (+Own Label Energy Ltd + Western
Gas)
Midlands Gas Ltd + OwnLabel Energy Ltd + Severn
Trent Energy Ltd + Western Gas Ltd
Morgan Stanley Capital Group Inc
Northern Electric Distribution Ltd (via YEDL)
Norweb Energi Ltd
NPower
Opus Energy Ltd
Pentex Oil and Gas Ltd
PowerGen UK plc + PowerGen CHP Ltd
Railtrack plc
Regional Power Generators Limited
Rocksavage Power Company Ltd
RTE SENE
Rugeley Power Ltd (& Deeside PDC)
RWE Trading Direct Ltd

Saltend Cogeneration Co Ltd
Sembcorp
Scottish & Southern
Scottish & Southern Energy
Scottish and Southern Energy plc
Scottish Power Generation Ltd
Scottish Power plc
Seabank Power Ltd
SEEBOARD Energy Ltd
SEEBOARD Power Networks
Sempra Energy Europe Ltd
Sheffield Heat and Power Ltd
Shell Gas Direct Limited
Shotton Combined Heat & Power Ltd +Peterborough
Power
Slough Energy Supplies Ltd
SMARTESTENERGY LTD
South Coast Power Ltd

SP MANWEB plc
Spalding Energy Company Ltd
SSE Energy Ltd
Statnett SF
Sutton Bridge Power
Telecom Plus PLC
Thameside Energy Park Ltd
The Renewable Energy Co. Ltd
TotalFinaElf Gas and Power Ltd
TXU Europe
UKAEA
Unit Energy Ltd
United Utilities
Utility Link Ltd

Wainstones Power Ltd
Warwick Energy (MFS) Ltd
West Burton Ltd
Western Power Distribution
Yorkshire Electricity Group plc (distribution)
Zest4 Ltd

Appendix C

Consultation Paper J/03



National Grid

GRID CODE CONSULTATION DOCUMENT

Note: Response required within 5 Business Days

**Changes to BC2.9.2.2 to support the issue of Emergency
Instructions for Maximum Generation Service via
Electronic Data Communication Facilities.**

**The purpose of this document is to consult on the above Grid Code
Modification Proposal with authorised electricity operators liable to be
materially affected by the proposed changes**

Consultation Ref	B/04
Issue	1
Date of Issue	27 January 2004
Responses required by	17:00 3rd February 2004
Prepared by	National Grid

DOCUMENT LOCATION

National Grid website:

http://www.nationalgridinfo.co.uk/grid_code/mn_consultation_papers.html

DISTRIBUTION

Name	Organisation
AEO's	Various
GCRP Members/Alternates	Various
Interested Parties	Various
National Grid Industry Information Website	

INTRODUCTION

1. National Grid Company plc ("National Grid"), in accordance with its obligations under paragraph 2 of Condition 7 of the Transmission Licence, believes that the time has come to review, in consultation with authorised electricity operators liable to be materially affected thereby, the Grid Code and its implementation in certain respects.
2. This review is concerned with clarification of the application of BC2.9.2.2 in relation to Maximum Generation Service. The proposed change has been discussed with Grid Code Review Panel members.
3. Following receipt of comments from those authorised electricity operators which it has consulted by this Paper, National Grid intends, in accordance with paragraph 2 of Condition 7 of the Transmission Licence, to send to the Authority :-
 - (a) a report on the outcome of its review, including this consultation process;
 - (b) the proposed revisions to the Grid Code which National Grid (having regard to the outcome of such review) reasonably thinks fit for the achievement of the objectives of the Grid Code referred to in subparagraph (b) of paragraph 1 of Condition 7 of the Transmission Licence; and
 - (c) any written representations or objections from authorised electricity operators (including any proposals by such operators for revisions to the Grid Code not accepted by National Grid in the course of the review) arising during the consultation process and subsequently maintained.
4. The report will also be made publicly available on National Grid's website.
5. The revisions to the Grid Code proposed by National Grid and sent to the Authority then require approval by that body and will, if approved, come into force on such date (or dates) of which you will be notified by National Grid, in accordance with the Authority's approval.

DESCRIPTION OF THE PROPOSED AMENDMENTS AND THEIR EFFECTS

6. Background
 - 6.1 Maximum Generation Service, MGS, was introduced on 28th November 2003 following approval by the Authority on 18th November 2003. The original MGS consultation, J/03, and associated report to the Authority can be viewed on the NGC Industry Information Website
 - 6.2 The process envisaged for instructing MGS is via an Electronic Data Communication Facility - Electronic Data Logger, EDL, using an Emergency Instruction code 'EN'. At the time of writing the previous consultation, J/03, and the report to the Authority it was NGC's view that an EN code, together with appropriate contractual provisions, were sufficient for the purposes of Balancing Code BC2.9.2.2.

BC2.9.2.2 requires all Emergency Instructions to be prefixed by the words 'This is an Emergency Instruction'.

- 6.3 The contractual arrangements supporting this service also reflect the intention to issue instructions for MGS by EDL.
- 6.4 The Authority has indicated that in order to use EDL to instruct this service it believes that a change is required to BC2.9.2.2. This change would explicitly allow an Emergency Instruction associated with MGS to be issued by EDL using the reason code 'EN'.

7. Proposed Changes

- 7.1 National Grid propose that the wording in BC2.9.2.2 be changed to recognise that an Emergency Instruction associated with MGS can be issued by EDL with a reason code EN, in place of the prefix "This is an Emergency Instruction".
- 7.2 The proposed change to Balancing Code 2, BC2.9.2.2, is shown in Appendix 1.
- 7.3 It is National Grid's view that this change is of a procedural nature only and it will ensure that MGS can be instructed efficiently at the times when it is required.
- 7.4 National Grid is committed to reviewing the current arrangements for MGS and bring forward a more enduring solution for access to this service. This review is currently being undertaken by the BSSG (a standing group under the CUSC panel).

COMMENTS

- 8. Given the previous MGS consultation and clarifactory nature of this change, and also in order to allow the use of this service over the current winter period, the consultation period is considerably shorter than a normal Grid Code consultation. Under normal circumstances NGC would allow 4 weeks for AEOs to respond, in this case, given the reasons above, NGC is requesting that Users respond within 5 business days.
- 9. National Grid would be grateful to receive your comments on, or any suggestions you may have in relation to, this proposed amendment to the Grid Code. Comments would be welcomed and should be sent to National Grid by 5pm on **Tuesday 3rd February 2004**. The comments will be reviewed and responded to and National Grid will then prepare its report to the Authority.
- 10. Unless otherwise marked as confidential any responses containing objections to the proposals which are maintained will be published on our website in the copy of the Report to the Authority referred to in paragraphs 3 and 4.

11. Your formal responses may be:-

Posted to: Patrick Hynes
Industry Codes
National Grid Company plc
National Grid Transco House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Emailed to: Patrick.Hynes@ngtuk.com

Appendix 1

Extracts from Balancing Code 2:

BC2.9.2.2 **Emergency Instructions** will always be prefixed with the words “This is an **Emergency Instruction**” except in the case of **Maximum Generation Service** instructed by electronic data communication facilities where the reason code ‘EN’ will indicate an **Emergency Instruction**.