

OC1 / OC2 Working Group
Minutes of the first meeting
20 October 2004, Brandon Hall

Attendees

Name	Company
John Greasley (JG)	National Grid (Chair)
Shafqat Ali (SA)	National Grid (Secretary)
Patrick Hynes (PH)	National Grid
Phil Sheppard (PS)	National Grid
Chris Rogers (CR)	National Grid
Gareth Pearce (GPe)	National Grid (Interconnectors)
Neil Sandison (NS)	Scottish and Southern Energy
David Ward (DW)	BNFL
John Morris (JM)	British Energy
Claire Maxim (CM)	E.ON UK
Garry Pickering (GP)	E.ON UK
John Norbury (JN)	RWE
Andy Burke (AB)	RWE
Paul Ward (PW)	United Utilities
David Hunt (DH)	OFGEM (Observer)
Ioannis Kokkoris (IK)	OFGEM (Observer)

1 INTRODUCTIONS

- 1.1 JG welcomed members of the OC1/OC2 Working Group to the first meeting of the Group.

2 SETTING THE SCENE

- 2.1 JG outlined the background to the setting up of the Group and stated that a combination of the current OC1/OC2 provisions dating back to pre-1990 (and hence not entirely being relevant to a post-NETA regime) and industry calls for a fundamental review was the main driver for initiate this Group.
- 2.2 JG re-iterated the overall objective of the proposed review of OC1 and OC2 *“to improve information received and disseminated, as stated in the GCRP Paper 04/20¹”*.
- 2.3 JG confirmed the link between OC1/OC2 development work and

¹ GCRP Paper 04/20 Further Review of Oc1 and OC2, presented to the GCRP on 23 September 2004.

market signals but stated that the latter is outside the remit of the Group and should be considered via a separate BSC process. JN stated that this clarification was helpful in explaining the purpose of this review, as stated in National Grid's Transparency Review.

- 2.4 In response to a comment from JM, JG confirmed that the 'category 3' proposals summarised in the Consultation Paper G/04 were within the scope of this review.
- 2.5 PH confirmed that the OC2 baseline could be affected by other proposals currently in the modification process, namely, the GCRP Paper 04/19 on LEEMPS (Licence Exempt Embedded Medium Power Stations) and the Consultation Paper H/04 on Generic Provisions. PH explained that H/04 mainly related to the wind farms and that it was part of NGC's obligations to conduct reviews in order to minimise any inconsistencies and regional variations.

3 TERMS OF REFERENCE

- 3.1 NS expressed concern that the proposed obligations to provide data were likely to impose significant burden on small generators in Scotland. PH stated that this might be resolved via a derogation from Ofgem for small generators which would be consistent with a derogation currently being considered by Ofgem for ELPS (Embedded Large Power Stations). DW pointed out that this issue could also be addressed by incorporating a "more relaxed" obligation on small generators in the GB Code, as was the case with the Scottish Code. CM stated that this Group should also review the lower MW limits for data submissions (e.g. 5 MW in Scotland).
- 3.2 JN stated that paragraph 3.5 of the TORs should be expanded to include a "zero-based" (starting with a blank sheet of paper) approach", and the added burden of any changes on generators. **Action: SA to revise paragraph 3.5 of TORs.**

4 OVERVIEW OF OC1 AND OC2 FRAMEWORKS

- 4.1 PS handed out draft OC1 and OC2 documents and gave a brief overview of the document contents.
- 4.2 DW commented that the appendix to OC2 document, which outlined the timescales for submission and dissemination of data, was particularly helpful.
- 4.3 JN commented that the current frameworks, which encompass 'who, what and when' of information requirements, should be expanded to include 'why' such information is required. PS stated that the reasons for information requirements are unlikely to be part of the Grid Code provisions. JN stated that an understanding of the reasons for information requirements was necessary for the development of necessary frameworks.

5 DETAILS OF OC2 FRAMEWORK

- 5.1 Scope

- 5.1.1 The Group discussed the relevance of Transmission Entry Capacity (TEC) and Connection Entry Capacity (CEC) to the Output Usable (OU) data. PS explained that OU submissions should be consistent with the level of TEC and if there has been a reduction in the TEC level, then the OU submissions should correspond to the reduced TEC. JN stated that TEC, a station parameter, is not relevant to submissions of OU which is a Genset parameter. CM commented that, for new power stations, TEC is known at the pre-commissioning stage whereas OU data is submitted after the commissioning of the power station. DW queried OU submissions for a plant which is likely to be de-commissioned. PS responded that the provisions for such submissions already exist in the Grid code and that a generator should submit OU data acting as a prudent generator.
- 5.2 Outage Data Provided by NGC to Users
- 5.2.1 In response to a comment from JN regarding information on Operational Intertripping, PS confirmed that, as part of the provision of outage data to Users, NGC would also indicate if, and where, there may be a need to use Operational Intertripping. It was pointed out that this aspect of data provision was dependent on the outcome of the ongoing BSSG discussions on intertrips (re. CAP076).
- 5.3 Outage Data Provided by NGC to Generators
- 5.3.1 PH commented that clarification is required to indicate that, in this paragraph (section 3.4 of the OC2 document), Interconnector Users are treated in the same way as the generators.
- 5.4 Operating Margins and Reserve Data Provided by Generators to NGC
- 5.4.1 The Group debated the definition of OU and what the generators should submit. DW asked whether the OU from wind farms should be based on MEL or TEC. PS acknowledged the intermittent nature of wind farm generation. With respect to Interconnector forecasts, PH commented that there should be a separate category for Interconnector flows.
- 5.4.2 JN queried the purpose of Margins and Reserve data and how NGC utilised the OU data. PS responded that this data gives an indication of the state of the system to both NGC and the market. NS commented that this data also indicates potential system constraints.
- 5.4.3 JN asked what data did NGC require from the generators. PS stated that the OU should be reflective of MEL (Maximum Export Limit) as this would result in a more smooth transition from longer term forecasts to day ahead forecasts. AB commented that, whilst the breakdown allowance has recently been removed from OU, MEL does have a measure of breakdown allowance, and hence the parameters are not consistent with each other. CM commented that further clarity was necessary as to whether NGC required OU or MEL. With respect to the

effect of seasonal temperature variations on OU, DW suggested that OU could be defined using a general terminology such as “based on typical temperature variation, OU is.....”. DW stated that the generators had a reasonable knowledge of the likely OU in the winter months compared with the summer months. JN suggested that the generators should submit MEL as it is already available in User systems. JG acknowledged that further work was required to define OU and that NGC would give consider this.

5.5 Operating Margins and Reserve Data Provided by NGC to Generators

5.5.1 The generator representatives expressed views to continue to receive zonal data for zones for which they had not submitted OU data. JG asked why it was important for generators to receive such data. CM responded that this provided “a useful operational indicator”. CM took an action to justify this requirement. **Action: CM to justify zonal data requirement for other zones.**

5.6 Technical Data

5.6.1 It was commented that these provisions could better reside in the Planning Code.

5.7 Timescales for Exchange of Data

5.7.1 PH suggested that the summary of timescales (section 6 of the OC2 framework document) is more suited to the DRC (Data Registration Code) section of the Grid Code than OC2. DW commented that this might not necessarily be the case as DRC was more about data forms that needed to be populated with data. It was agreed that this summary was quite and should be retained somewhere in the Grid Code although there was no agreement as to where in the Grid Code it should reside.

5.7.2 JN wished to understand how a conflict between NGC and generator outages fed back into the planning process. JN also queried what incentives NGC had in ensuring alignment between NGC and generator outages. PH commented that NGC was incentivised to minimise its balancing costs and that it also had wider licence obligations to operate an efficient and economic system.

5.7.3 CM commented that further clarity is required regarding the term ‘where reasonably requested by NGC’, and the circumstances under which NGC may make such a request.

6 DETAILS OF OC1 FRAMEWORK

6.1 Scope

6.1.1 JN asked whether the reference to the method of providing OC1 demand forecasts in accordance with Section Q of the BSC was NGC’s proposed text or whether it already existed in the Grid Code. JG

confirmed that, whilst the provision of OC1 data was in accordance with section Q of BSC, the related statement in the OC1 Review document did not exist in the current version of OC1.

6.2 Data Provided by Suppliers to NGC

6.2.1 It was commented that the definition of Customer Demand Management required clarification.

6.3 Short Term Demand Forecasts

6.3.1 In response to a comment, PS clarified that the National Demand forecasts exclude Interconnector Demand, Station Transformer Demand and Pump Storage Demand whereas NGC demand includes these types of demand.

6.4 Initial Demand Outturn

6.4.1 DW asked for clarification of the term NGC Demand on a GB-wide basis. PS explained that the GB-wide term for NGC Demand is GB Transmission System Demand.

6.4.2 PS explained that the initial outturn of National Demand is comparable with the '08:45' demand forecasts.

6.5 NGC Forecasting Factors and Methodology

6.5.1 PH commented that this section might reside more appropriately in the 'reconciliation' section.

6.6 Data Provided by Generators to NGC

6.6.1 JN believed that the provision of data on Medium Power Stations was already covered under the data provided by Network Operators. JN wished to know that the effort utilised in making this data available to NGC was worthwhile and whether such data was actually used by NGC. PH responded that NGC required accurate information on the demand taken by Medium Power Stations and hence this information flow was required by NGC. In response to a comment from JN, PH stated that this information was not necessarily covered in OC2. PH further commented that the accuracy of Medium Power Station demand data was particularly important at a zonal level where such demand can make up a significant proportion of the total zonal demand.

6.7 Timescales for Exchange of Data

6.7.1 In response to a comment from PH, PS confirmed that the proposed timescales would require changes to the BSC.

6.8 New or Revised Terminology

6.8.1 DW asked whether Average Hot Spell (AHS) was a proposed new term or an existing one. PS confirmed that AHS had been in existence for a while but had not been defined in the Grid Code. NS queried whether AHS was linked to air-conditioning demand. PS responded that this was not the case.

6.9 General Discussion

6.9.1 CM queried whether publication of information would be considered as a consequential change (and hence would be considered by this Group) or whether this is outside the remit of the Group. JG believed that any BSC changes might need to be considered in parallel with the Grid Code changes.

6.9.2 DW commented that the demand forecasts provided a good market signal and asked whether NGC published accuracy of its demand forecasts. PS confirmed that the accuracy of demand forecasts is regularly discussed at the Electricity Operational Fora.

6.9.3 PH queried whether the data provisions needed to cover not just MW but also MVA. JN considered that the provision of MVA data might be part of the connection agreement. DW stated that the agreement between a Network Operator and a Power Station only specified MW.

6.9.4 JN stated that the provision of demand data for reconciliation is burdensome on Users and whether NGC could provide a justification for this requirement. PS responded that reconciliation is necessary for improving the demand models and hence in predicting future demands.

6.9.5 DW enquired whether there were reconciliation issues with respect to OU data. PS stated that such issues did sometimes exist and that NGC would only be concerned about persistent variations between OU and outturn figures. In response to a comment regarding the quality of OU submissions and reconciliation with outturned data, PS stated that NGC would consider mechanisms for monitoring OU submissions.
Action: PS to consider mechanisms for monitoring quality of OU submissions.

6.9.6 In response to an earlier comment regarding provision of customer demand management data being burdensome on Users, PH did not think that such a requirement was excessively burdensome as the demand management events only occurred a few times a year. GP commented that aggregating customer demand data to Grid Supply Point level was burdensome. JN stated that the demand management events were not limited to a few events per year.

6.9.7 JN commented that the definition of Customer Demand Management (CDM) was inadequate and it did not make a distinction between customer's own demand management and the demand management via a CDM agreement. PH stated that it might be necessary to review the definition of CDM, particularly with a view to the SSE network.

7 WAY FORWARD

7.1 JG stated that the Group had gone through a significant amount of information during the first meeting and that it might need to be

revisited at the next meeting. JG requested all the members to consider PS's papers before the next meeting and come back with comments at the next meeting. **Action: Working Group members to consider PS's papers and come back with comments at the next meeting.**

7.2 With respect to the timescales for reporting back to the GCRP, JG felt that the timescales were reasonable.

7.3 With respect to the publication of information under BSC provisions, JG stated that NGC would be closely working with Elexon.

8 DATE OF NEXT MEETING

8.1 The next meeting of the Working Group will be held on 16 November 2004.

9 AOB

9.1 DW suggested that, in reviewing OC1 and OC2, the Group should also consider information flows that are currently not undertaken by the industry but should be undertaken.

9.2 PH pointed out that the OC1 and OC2 review might interact with STC (SO-TO Code).

9.3 GP considered that the credibility of the OC2 provisions is important and that this is sometimes doubted. JG agreed with GP and stated that NGC does carry out active monitoring on the accuracy of OC2 submissions and communicates, in the first instance, any data accuracy issues with those who submitted the data.