



**National Grid**

## **A REPORT TO THE AUTHORITY**

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

### **Proposed Grid Code Modification.**

### **Proposed changes to Grid Code References to PES and STS and other proposed Grid Code Housekeeping Changes**

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

Consultation Paper Ref	B/02
Issue	1
Date of Issue	15 <sup>th</sup> July 2002
Prepared by	National Grid

DISTRIBUTION

Name	Organisation
Authority	Ofgem
Grid Code Review Panel Members	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 review of the Grid Code. This review relates to references in the Grid Code to Public Electricity Supplier (PES) and Second Tier Supplier (STS) which require updating in line with current Distribution and Supply Licences. The review also considers other minor housekeeping changes to various sections of the Grid Code. Attached as Appendix A are the proposed revisions to the current Grid Code Glossary and Definitions, Planning Code, OC1, OC2 and BC2 (shown in typed form with the deletions crossed through and additions double underlined).
3. The proposed changes to the Grid Code were discussed at the Grid Code Review Panel on 23<sup>rd</sup> May 2002 and it was agreed that National Grid should issue a Consultation Paper.
4. National Grid, in accordance with its obligations under its Transmission Licence, consulted those authorised electricity operators listed in Appendix C by circulating to them Consultation Paper B/02, which was issued on 10<sup>th</sup> June 2002 and which contained the proposed amendments to the Grid Code. A copy of Consultation Paper B/02 is attached to this Report as Appendix B. National Grid also placed a copy of the Consultation Paper on its website to ensure its wide availability.
5. Comments were invited from all such authorised electricity operators by 8<sup>th</sup> July 2002. National Grid has received responses from **5** authorised electricity operators. All respondents indicated that they supported the proposed Grid Code changes. National Grid has replied to each of them acknowledging their support.
6. The proposed revisions to the Grid Code are, as indicated above, set out in Appendix A to this Report. By way of summary, the proposed changes are described below :-



## Background

- 6.1 The current Grid Code refers to Public Electricity Suppliers and Second Tier Suppliers. However as a result of recent Licence changes there is now the need for the Grid Code to recognise the withdrawal of these and the introduction of Distribution Licences and Supply Licences.

## The Proposed Changes

- 6.2 The Glossary and Definitions defines Public Electricity Suppliers and Second Tier Suppliers and the associated Licences. The terms are also used in connection with the other defined terms of Supplier, Operational Planning, and Distribution Code.
- 6.3 OC2.1.2 makes reference to PES Licence and Second Tier Supply Licence in connection with the standards of security set out in those Licences. These references need to be updated to refer to the Distribution Licence and to delete the references to Supply Licences, as the relevant standards of security requirements no longer appear in those Supply Licences.
- 6.4 It is proposed that the definitions of '**PES Licence**' and '**Second Tier Supply Licence**' should be replaced with the new definitions '**Electricity Distribution Licence**' and '**Electricity Supply Licence**' as appropriate. It is also proposed that the definitions of '**Second Tier Supplier**' and '**Public Electricity Supplier**' should be deleted as they are no longer used in the Grid Code and the existing definition of '**Supplier**' should be amended accordingly.
- 6.5 The proposed amendments to the Grid Code text related to PES and STS are shown in Appendix A.
- 6.6 Further the Defined terms '**Tariff Customer**' and '**Generation Licence**' are no longer used in the main text of the Grid Code and it is proposed that these terms can be deleted as a housekeeping change.
- 6.7 References to the Act also require updating to reflect that the Act was amended by the Utilities Act 2000. Although this is covered by paragraph 2 (v) of the Glossary and Definitions (Construction of References), it is felt helpful to reflect explicitly the changes to the Electricity Act.
- 6.8 In addition there are some other minor housekeeping changes that could be usefully included should the changes above be approved. Appendix A refers to the sections of the Grid Code affected by the proposed housekeeping changes.
7. 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. In view of this, National Grid would be grateful if the Authority would approve the

revisions pursuant to paragraph 3 of Condition 7 of the Transmission Licence.

8. Given the logistic exercise of organising replacement pages to reflect the changes required by your letter of approval, I would be grateful if you would contact me prior to issuing any letter specifying an effective date, in order to seek to ensure that the date is consistent with any other Code changes which may then be approved or be close to being approved.

SIGNED BY

For and on behalf of The National Grid Company plc  
15 July 2002



## APPENDIX A

### PROPOSED GRID CODE CHANGES ASSOCIATED WITH PES AND STS.

#### (a) Extract from the Glossary and Definitions.

<b>Distribution Code</b>	The distribution code required to be drawn up by each <b>Electricity Distribution Licence</b> holder and approved by the <b>Authority</b> , as from time to time revised with the approval of the <b>Authority</b> .
<b><u>Electricity Distribution Licence</u></b>	The licence granted pursuant to Section 6(1) (c) of the <b>Act</b>
<b><u>Electricity Supply Licence</u></b>	The licence granted pursuant to Section 6(1) (d) of the <b>Act</b>
<b><u>Operational Planning</u></b>	Planning through various timescales the matching of generation output with forecast <b>NGC Demand</b> together with a reserve of generation to provide a margin, taking into account outages of certain <b>Generating Units</b> , of parts of the <b>NGC Transmission System</b> and of parts of <b>User Systems</b> to which <b>Power Stations</b> and/or <b>Customers</b> are connected, carried out to achieve, so far as possible, the standards of security set out in the <b>Transmission Licence</b> or <b>Electricity Distribution Licence</b> , as the case may be.
<b>Supplier</b>	(a) A person supplying electricity under an <b>Electricity Supply Licence</b> ; or  (b) A person supplying electricity under exemption under the <b>Act</b> ;  in each case acting in its capacity as a supplier of electricity to <b>Customers</b> in England and Wales.

.....  
**(b) Extract from OC2**

- OC2.1.2 (a) **Operational Planning** involves planning, through various timescales, the matching of generation output with forecast **NGC Demand** together with a reserve of generation to provide a margin, taking into account outages of certain **Generating Units**, and of parts of the **NGC Transmission System** and of parts of **Network Operators' Systems** which is carried out to achieve, so far as possible, the standards of security set out in the **Transmission Licence** or **Electricity Distribution Licence** as the case may be.
- (b) In general terms there is an "envelope of opportunity" for the release of **Gensets** and for the release of parts of the **NGC Transmission System** and parts of the **Network Operator's User Systems** for outages. The envelope is defined by the difference between the total generation output expected from **Large Power Stations, Medium Power Stations** and **Demand**, the operational planning margin and taking into account **External Interconnections**.

## PROPOSED GRID CODE HOUSEKEEPING CHANGES

### (a) Proposed changes to the Glossary and Definitions

**Act**

The Electricity Act 1989(as amended by the Utilities Act 2000).

### (b) Other proposed housekeeping changes

Code	Clause	Comment	Notes
G&D	Surplus	This term should be underlined	
PC	Contents Page	PC.A.5 Should read 'Generating Unit Data' not 'Introduction'	This contents page does not form part of the Grid Code and this proposed change is included for information
G&D	Surplus	This term should be underlined	
PC	PC5.7	The phrase "Standard Planning" is not a defined term and should read "Standard Planning Data".	
PC	PC.A.3.4.2	Sub clause numbering should be (a) and (b)	
PC	PC.A.3.1.3(a)	Spurious bracket	
PC	PC.A.3.1.3(b)	Spurious bold '1'	
OC1	OC1.5.1	'Programming Phase' is a defined term – should be bold	
BC2	BC2.5.5	Reposition paragraph number to align with heading. Renummer following two paragraphs as BC2.5.5.1 and BC2.5.5.2.	
BC2	BC2.5.2.2	Change Reference to BC2.5.5 to BC2.5.5.1	Knock on effect of change to BC2.5.5 described above.
BC2	Contents page	Update to include paragraph number BC2.5.5 next to appropriate heading.	Knock on effect of change to BC2.5.5 described above. This contents page does not form part of the Grid Code and this proposed change is included for information



# National Grid

## CONSULTATION DOCUMENT

### Proposed changes to Grid Code References to PES and STS and other proposed Grid Code Housekeeping Changes

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/02
Issue	1
Date of Issue	10 June 2002
Prepared by	National Grid

## DOCUMENT LOCATION

National Grid website:

[http://www.nationalgridinfo.co.uk/grid\\_code/mn\\_consultation\\_papers.html](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	

A. INTRODUCTION

1. The 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 related to references in the Grid Code to Public Electricity Supplier (PES) and Second Tier Supplier (STS) which require updating in line with current Distribution and Supply Licences. The review also considers other minor housekeeping changes to various sections of the Grid Code. The proposed changes to the Grid Code were discussed at the Grid Code Review Panel meeting held on 23<sup>rd</sup> May 2002. Panel members agreed that National Grid should issue a Consultation Paper.
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 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.

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B. DESCRIPTION OF THE PROPOSED AMENDMENTS AND THEIR EFFECTS

5. Background

5.1 The current Grid Code refers to Public Electricity Suppliers and Second Tier Suppliers. However as a result of recent Licence changes there is now the need for the Grid Code to recognise the withdrawal of these and the introduction of Distribution Licences and Supply Licences.

6. The Proposed Changes

6.1 The Glossary and Definitions defines Public Electricity Suppliers and Second Tier Suppliers and the associated Licences. The terms are also used in connection with the other defined terms of Supplier, Operational Planning, and Distribution Code.

6.2 OC2.1.2 makes reference to PES Licence and Second Tier Supply Licence in connection with the standards of security set out in those Licences. These references need to be updated to refer to the Distribution Licence and to delete the references to Supply Licences, as the relevant standards of security requirements no longer appear in those Supply Licences.

6.3 It is proposed that the definitions of '**PES Licence**' and '**Second Tier Supply Licence**' should be replaced with the new definitions '**Electricity Distribution Licence**' and '**Electricity Supply Licence**' as appropriate. It is also proposed that the definitions of '**Second Tier Supplier**' and '**Public Electricity Supplier**' should be deleted as they are no longer used in the Grid Code and the existing definition of '**Supplier**' should be amended accordingly.

6.4 The proposed amendments to the Grid Code text related to PES and STS are shown in Appendix 1.

6.5 Further the Defined terms '**Tariff Customer**' and '**Generation Licence**' are no longer used in the main text of the Grid Code and it is proposed that these terms can be deleted as a housekeeping change.

6.6 References to the Act also require updating to reflect that the Act was amended by the Utilities Act 2000. Although this is covered by paragraph 2 (v) of the Glossary and Definitions (Construction of References), it is felt helpful to reflect explicitly the changes to the Electricity Act.

6.5 In addition there are some other minor housekeeping changes that could be usefully included should the changes above be approved. Appendix 2 refers to the sections of the Grid Code affected by the proposed housekeeping changes.

B. COMMENTS

7. National Grid would be grateful to receive your comments on, or any suggestions you may have in relation to, these proposed amendments to the Grid Code. Comments would be welcomed and should be sent to National Grid by **8<sup>th</sup> July 2002**. The comments will be reviewed and responded to and National Grid will then prepare its report to the Authority.
8. Your formal responses may be:-

Posted to: Mr David Payne  
Network Strategy, Commercial  
The National Grid Company plc  
National Grid House  
Kirby Corner Road  
Coventry  
CV4 8JY

Faxed to: 024 7642 3298 Emailed to: [david.payne@uk.ngrid.com](mailto:david.payne@uk.ngrid.com)



**APPENDIX 1**

**PROPOSED GRID CODE CHANGES ASSOCIATED WITH PES AND STS.**

**(a) Extract from the Glossary and Definitions.**

**Distribution Code** The distribution code required to be drawn up by each **Public Electricity Supplier**~~Electricity Distribution Licence holder~~ and approved by the **Authority**, as from time to time revised with the approval of the **Authority**.

**Electricity Distribution Licence** The licence granted pursuant to Section 6(1) (c) of the Act

**Electricity Supply Licence** The licence granted pursuant to Section 6(1) (d) of the Act

**Operational Planning** Planning through various timescales the matching of generation output with forecast **NGC Demand** together with a reserve of generation to provide a margin, taking into account outages of certain **Generating Units**, of parts of the **NGC Transmission System** and of parts of **User Systems** to which **Power Stations** and/or **Customers** are connected, carried out to achieve, so far as possible, the standards of security set out in the **Transmission Licence** or **Public Electricity Supply Licence** ~~or **Second Tier Supply Licence**~~**Electricity Distribution Licence**, as the case may be.

**Public Electricity Supplier or PES** ~~A holder of a **Public Electricity Supply Licence** acting in its capacity as a public electricity supplier in England and Wales.~~

**Public Electricity Supply Licence** ~~A licence granted under Section 6(1)(c) of the Act.~~

**Second Tier Supplier or STS** ~~A holder of a **Second Tier Supply Licence** acting in its capacity as a private electricity supplier in England and Wales.~~

**Second Tier Supply Licence** ~~A licence granted under Section 6(2)(a) of the Act.~~

**Supplier**

(a) A ~~Public Electricity Supplier~~ person supplying electricity under an Electricity Supply Licence; or

~~(b) A Second Tier Supplier; or~~

~~(c)~~ (b) A person supplying electricity under exemption under the **Act**;

in each case acting in its capacity as a supplier of electricity to **Customers** in England and Wales.

.....  
**(b) Extract from OC2**

OC2.1.2 (a) **Operational Planning** involves planning, through various timescales, the matching of generation output with forecast **NGC Demand** together with a reserve of generation to provide a margin, taking into account outages of certain **Generating Units**, and of parts of the **NGC Transmission System** and of parts of **Network Operators' Systems** which is carried out to achieve, so far as possible, the standards of security set out in the **Transmission Licence** or ~~Public Electricity Supply Licence~~ Electricity Distribution Licence ~~or Second Tier Supply Licence~~ as the case may be.

(b) In general terms there is an "envelope of opportunity" for the release of **Gensets** and for the release of parts of the **NGC Transmission System** and parts of the **Network Operator's User Systems** for outages. The envelope is defined by the difference between the total generation output expected from **Large Power Stations, Medium Power Stations** and **Demand**, the operational planning margin and taking into account **External Interconnections**.

**APPENDIX 2**

**PROPOSED GRID CODE HOUSEKEEPING CHANGES**

**(a) Proposed changes to the Glossary and Definitions**

**Act** The Electricity Act 1989-~~(as amended by the Utilities Act 2000).~~

**Generation Licence** ~~The licence granted to a **Generator** pursuant to Section 6(l)(a) of the **Act**.~~

**Tariff Customer** ~~A person who requires a supply of electricity in pursuance of section 16(1) of the **Act** and is supplied by a **Public Electricity Supplier** otherwise than on the terms specified in such an agreement as is mentioned in section 22(1) of the **Act**.~~

**(b) Other proposed housekeeping changes**

Code	Clause	Comment	Notes
G&D	Surplus	This term should be underlined	
PC	Contents Page	PC.A.5 Should read 'Generating Unit Data' not 'Introduction'	This contents page does not form part of the Grid Code and this proposed change is included for information
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## APPENDIX C

### AEO Distribution List for Consultation Paper A/02

24 Seven  
Accord Energy Limited  
AES (for Partington Ltd)  
AES Drax Power Ltd  
AES Indian Queens Power  
Alcan Aluminium UK Ltd  
Allied Steel & Wire  
Angelsey Aluminium  
Atlantic Electric & Gas Ltd  
Atmel North Tyneside Limited  
Barking Power  
BNFL + Magnox Electric Ltd  
BP Chemicals Ltd  
British Gas Generation Ltd (Centrica KL + Centrica PB)  
British Gas Trading Ltd (3th Floor North)  
Burlington Resources (Irish Sea) Ltd  
Celtpower Ltd  
Commercial Electricity Supplies Ltd  
Corby Power Ltd  
Coryton Energy Co Ltd  
Cottam Power Ltd  
Derwent Co-Generation Limited  
East Midlands Electricity  
ECOTRICITY  
Electrabel S.A.  
Electricity Direct (UK) Ltd  
Energy Power Resources Limited  
Enron Direct Ltd + Enron Gas & Petrochemical Trading  
Energy-Koch Trading Ltd  
Fibrogen Ltd + Fibropower Ltd + Fibrothetford Ltd  
First Hydro Company  
Fortum Direct Ltd  
Great Yarmouth Power Limited  
Grovehurst Energy Ltd  
Humber Power Ltd  
Immingham CHP Ltd  
Innogy + Innogy (Cogen Trading) Ltd + npower  
Keadby Development Ltd  
Killingholme Power Ltd  
London Electricity plc  
London Power Networks  
Manweb Services (Imperial Park)  
Medway Power Ltd  
Morgan Stanley Capital Group Inc  
Northern Electric Supply Ltd  
Pentex Oil and Gas Ltd  
Railtrack plc  
Regional Power Generators Limited  
Rocksavage Power Company Ltd  
Saltend Cogeneration Co Ltd  
Scottish & Southern (North Tynemouth)  
Scottish and Southern Energy plc  
Scottish Power plc  
Seabank Power Ltd  
SEEBOARD Power Networks  
Sheffield Heat and Power Ltd  
Slough Energy Supplies Ltd  
South Coast Power Ltd  
SP MANWEB plc  
SSE Energy Ltd  
Sutton Bridge Power Ltd  
Thameside Energy Park Ltd  
TXU Europe  
  
UK Electric Power Ltd  
Unit Energy Limited  
Utility Link Ltd  
Western Gas Ltd  
Williams Energy Marketing & Trading Europe Ltd  
Yorkshire Electricity plc (supply)  
  
ABB Equity Development Co Ltd  
AEP Energy Services UK Generation Ltd  
AES Barry Limited  
AES Fifoots Point Ltd  
AES NEW ENERGY LTD (UK)  
Allied Domecq (Holdings) PLC  
AMERADA  
Aquila Energy Supplies Ltd  
Atmel  
Baglan Generating Ltd + Baglan Operations Ltd  
BIZZENERGY LIMITED  
BOC Limited  
British Energy Generation Ltd  
British Gas Plc  
BritNed Development Ltd  
Canatx Energy Ventures Ltd  
Cinergy Global Power (UK) Ltd  
Conoco Global Power Developments UK Limited  
Corus UK Ltd  
Cottam Development Centre  
Damhead Creek Ltd  
Dynergy UK Ltd  
Economy Power Ltd  
Edison First Power Ltd  
Electricite de France  
Emerald Power Generation Ltd  
Enfield Energy Centre Ltd  
Enron Teesside Operations Ltd  
Fellside Heat & Power Ltd  
First Hydro Company  
Fleetwood Power Ltd  
GPU Power Networks (UK) Ltd  
Greenwich Energy Trading Ltd  
Heartlands Power Ltd  
ICI Chemicals & Polymers Ltd  
INEOS Chlor Energy Ltd  
Jade Power Generation Ltd  
Keadby Gen Ltd + HE Cogen Ltd + HE Energy Ltd  
Lakeland Power Ltd  
London Electricity Services Ltd  
London Underground Ltd  
Maverick Energy Ltd  
Midlands Gas Ltd + OwnLabel Energy Ltd + Severn Trent Energy Ltd  
Northern Electric Distribution Ltd  
Norweb Energi Ltd  
PowerGen UK plc + PowerGen CHP Ltd  
Rassau Power Ltd  
Renewable Energy Co  
Rugeley Power Ltd  
Savage Land Ltd  
Scottish & Southern Energy  
Scottish Power Generation Ltd  
Scottish Power Energy Retail Ltd  
SEEBOARD Energy Ltd  
Sempra Energy Europe Ltd  
Shell Gas Direct Limited  
SMARTESTENERGY LTD  
Southern Electric Power Distribution plc  
Spalding Energy Company Ltd  
Statnett SF  
Teesside Power Ltd  
TotalFinaElf Gas and Power Ltd  
TXU Europe Merchant Generation + Shotton CHP Ltd + Citigen (London) Ltd  
UKAEA  
United Utilities  
Wainstones Power Ltd  
Western Power Distribution  
Yorkshire Electricity Group plc (distribution)  
Zest4 Ltd