



**GRID CODE
CONSULTATION DOCUMENT
and REPORT TO THE AUTHORITY**

**Grid Code Balancing Code Changes associated with
Embedded Exemptable Large Power Stations.**

**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
And forms the basis of the subsequent Report to the Authority**

Consultation Ref	I/05
Issue	1
Date of Issue	21 st December 2005
Responses required by	27th January 2006
Prepared by	National Grid

DOCUMENT LOCATION

National Grid website:

<http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/>

DISTRIBUTION

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

A. INTRODUCTION

1. Paragraph 2 of Condition C14 of the Transmission Licence granted to the National Grid Electricity Transmission 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 C14 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. This review is concerned with Grid Code provisions BC1 (Pre Gate Closure Process) and BC2 (Post Gate Closure Process) and seeks to rectify an unforeseen interaction between the Generic Provisions modifications and the introduction of Cascade Hydro and Embedded Exemptable Large Power Stations.
3. The proposed changes to the Grid Code were discussed with the Grid Code Review Panel on 24th November 2005. Panel members agreed that having taken account of comments received, National Grid should issue a Consultation Paper.
4. The Report will 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, 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.
6. Comments should be sent to National Grid by 27th January 2006 as detailed below in Section C. The comments will be reviewed, responded to and included in a summary in Section C.
7. Unless otherwise marked as confidential any responses including those containing objections to the proposals which are maintained will be published on our website.

B. DESCRIPTION OF THE PROPOSED AMENDMENTS AND THEIR EFFECTS

8. Background

- 8.1 The Ofgem consultation and change approval process for generic provisions was carried out at the same time as numerous changes for BETTA. One alteration of the Grid Code for BETTA was to redefine the scope of BC1 and BC2 to cater for Cascade Hydro Stations and Embedded Exemptable Large Power Stations.
- 8.2 Embedded Exemptable Large Power Stations are excused from registering as Balancing Mechanism Units (BM Units) but are required to submit forecasts of output and sign Mandatory Service Agreements (MSAs)
- 8.3 The BETTA changes extended the application of BC1 and BC2 from BM Units to Generating Units at Embedded Exemptable Large Power Stations where identified in the Bilateral Agreement. A consequence of these changes is that the wording of BC1 and BC2 now implies that Embedded Exemptable Large Power Stations that are wind farms are required to submit data on a Generating Unit basis.
- 8.4 This was not the intention of National Grid in drafting the Grid Code which generally requires information to be supplied on a Power Park Module basis.

9. Proposed Changes

- 9.1 From National Grid's perspective it is not desirable to receive information from wind farms on a generating unit basis due to the volume of information involved.
- 9.2 It could also be seen as treating Embedded Exemptable Large Power Stations unfavourably, placing greater information burdens on them compared with similar BM Units.
- 9.3 To ensure that the application of BC1 and BC2 to Embedded Exemptable Large Power Stations is no more onerous than for other similar Power Stations registered as BM Units, it is proposed to amend the Grid Code.
- 9.4 The proposed changes to Grid Code BC1.2 and BC2.2 are shown in Appendix 1.

C. RESPONSES

10. This section will contain a summary of responses received during the Consultation and will be completed as part of the Report to the Authority.

11. Your formal responses may be:-

Posted to: Mark Duffield
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Commercial Frameworks
National Grid Electricity Transmission plc
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Appendix 1

Proposed Balancing Code 1 Changes:

BC1.2 OBJECTIVE

The procedure for the submission of **BM Unit Data** and/or **Generating Unit Data** is intended to enable **NGET** to assess which **BM Units** and **Generating Units** are expected to be operating in order that **NGET** can ensure (so far as possible) the integrity of the **GB Transmission System**, and the security and quality of supply.

Where reference is made in this **BC1** to **Generating Units** (unless otherwise stated) it only applies to:

- (a) to each **Generating Unit** which forms part of the **BM Unit** of a **Cascade Hydro Scheme**; and
- (b) ~~(b) —~~ at an **Embedded Exemptable Large Power Station** where the **Bilateral Agreement** specifies that **NGET** reasonably requires compliance with **BC1**:
 - i) to each **Generating Unit** ~~at an Embedded Exemptable Large Power Station, or~~
 - ii) to each **Power Park Module** where the **Power Station** is comprised of **Power Park Modules** ~~where the Bilateral Agreement specifies that NGET reasonably requires compliance with BC1 on a Generating Unit basis.~~

Proposed Balancing Code 2 Changes:

BC2.2 OBJECTIVE

The procedure covering the operation of the **Balancing Mechanism** and the issuing of instructions to **Users** is intended to enable **NGET** as far as possible to maintain the integrity of the **GB Transmission System** together with the security and quality of supply.

Where reference is made in this **BC2** to **Generating Units** (unless otherwise stated) it only applies to:

- (a) to each **Generating Unit** which forms part of the **BM Unit** of a **Cascade Hydro Scheme**; and
- (b) ~~each Generating Unit at an Embedded Exemptable Large Power Station~~ at an **Embedded Exemptable Large Power Station** where the **Bilateral Agreement** specifies that **NGET** reasonably requires compliance with ~~certain provisions of BC2 on a Generating Unit basis:~~
 - i) to each **Generating Unit**, or

- ii) to each **Power Park Module** where the **Power Station** is comprised of **Power Park Modules**.