



National Grid

GRID CODE CONSULTATION DOCUMENT

GRID CODE MODIFICATIONS TO SUPPORT THE IMPLEMENTATION OF THE REVISED GOVERNANCE OF ELECTRICAL STANDARDS

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

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Prepared by	National Grid

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DISTRIBUTION

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

A. 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 the proposed introduction of a revised Governance model, specifically and solely in relation to a number of clearly defined standards, which currently fall outside existing Code, Licence based or any other form of governance process and which impose significant material obligations on Users. These proposals do not impact on, and in no way alter existing Governance arrangements in relation to existing Grid Code provisions.
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 sub-paragraph (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. We recommend implementation of these proposals on the 2nd of January 2004.

B. DESCRIPTION OF THE PROPOSED AMENDMENTS AND THEIR EFFECTS

Background

- 6 This Consultation Paper is the culmination of considerable work in this area. Ofgem's published their "Final Proposals" in relation to the Governance of Electrical Standards on the 10th of October 2003. Following on from this a Joint Working Group (JWG) of the England and Wales Grid Code, the Scottish Grid Code and the Distribution Code Panels was formed to consider further how to take forwards these "Final Proposals." The Joint Working Group worked closely with Ofgem in this exercise.
- 7 The JWG focused on ensuring a balance between greater transparency and the need to preserve efficiency in relation to developing standards and ensuring that the overall governance process is appropriate and cost effective. As the JWG Report stated – "Overall the aim has been to identify those standards which impose significant material obligations on Users and which fall outside existing Code, Licence based or any other form of governance process." On the 26th of August 2003, the JWG published a paper that set out concrete proposals in this area.
- 8 The three Panels all accepted the JWG recommendations at their meetings that followed the publication of the JWG Report. All three panels agreed in principle that it was appropriate to bring forward for consideration by the Authority proposed arrangements that were consistent with the JWG Report. Prior to the publication of this Consultation Paper, National Grid also published an "implementation discussion paper" on the 24th September 2003. This implementation paper provided more detail as to how National Grid proposed to implement the JWG Report and also contained a number of more detailed suggestions that were not specifically discussed in the JWR but that National Grid believed were important to the implementation of these proposals.
- 9 Comments received from Users in relation to this implementation paper agreed that a Working Group was not needed in order to further develop the work of the JWG. Hence National Grid has proceeded to publish this more formal Grid Code Consultation Paper. National Grid proposes to allow one month for Consultation responses – with a closing date for responses of **28th November 2003**. We will endeavour to publish a Conclusions Document at the earliest opportunity following this.
- 10 It is proposed that the revised Governance arrangements should come into force on January 2nd 2004. However, clearly this is dependent on the extent to which good progress is maintained, and the whether or not Ofgem choose to ultimately approve the proposed changes, and the time frame within which they reach a decision. The full list of the 18 NGTS that form the scope of the standards are set out in this Report. It is proposed

that this list of standards should sit within an annex to the “General Conditions” of the Grid Code.

- 11 We believe that the question as to which standards should fall within the scope of the revised Governance arrangements has been thoroughly assessed by the JWG. To this end, we believe that the list proposed by the JWG (and reflected in this Consultation document) forms the appropriate balance between ensuring that standards that impose a material obligation on users which are not covered by existing governance arrangements fall within the revised arrangements. Whilst equally ensuring that the list is efficient and practicable. However, clearly, as with all other matters in this Consultation paper, users views are welcomed on this.

Proposed Changes

Governance Arrangements – High Level Implementation Provisions

- 12 The revised Governance arrangements, as discussed by the JWG, in relation to the 18 NGTS are:-
- When National Grid or User wishes to make a change to any of the 18 NGTS’s falling within the scope of the revised Governance arrangements, National Grid or the User will notify the GCRP of this intention. This notification can take the form of an e-mail. Were there to be no e-mail objections within a two week period, National Grid would take this to be GCRP assent to the proposed change, and would execute this. Clearly, were there to be any e-mail objections, National Grid would not be empowered to make the proposed change at that point, and the matter would need to be brought to the next GCRP Panel.
 - National Grid will have the executive power to implement any change to the standard proposed either by National Grid or a User, with out further consultation, if the Panel has reached a broad consensus either by e-mail or at a GCRP meeting that the proposed change to the standard is appropriate, and that further consultation is not needed.
 - If the Panel do not reach a broad consensus/ believe that the change needs to be consulted on further, National Grid would establish a Working Group if it was agreed this was appropriate and in any event in all cases hold a period of industry consultation. Following this National Grid would put its conclusions to the GCRP. If the GCRP broadly agreed with National Grid’s conclusions at this point National Grid would implement the change.
 - In all cases where, following on from consultation if the Panel and National Grid do not reach a broad consensus, the matter will be referred to Ofgem who will take the final executive decision as to

whether or not the proposed change to one of the 18 NGTSS in question should be implemented.

- 13 It is proposed to reflect this high level model within the provisions in the General Conditions of the Grid Code, in a sub-section numbered GC.11 and headed “The Governance of Electrical Standards” and in an Annex to the GC. Also it is proposed to include one new definition within the G&D. The proposed Grid Code changes are attached in Appendix A.

Detailed Implementation Provisions

- 14 The principles and provisions that are reflected above incorporate the high level Governance model that was set out in the JWG Report. The provisions below were not specifically discussed at JWG level, but reflect points that we believe also need to be addressed and reflected within the revised Governance model. All of these points are reflected within the proposed Legal drafting. All bar the point relating to the name “Governance of Electrical Standards” (on which we have not acted at this stage) were included in our previous Implementation discussion paper in this area.
- 15 **Users suggesting amendments to the relevant standards.** Whilst the JWR made clear that National Grid should bring any suggested changes to the relevant standards to the Panel, it was not clear as to whether users could also propose changes to the standards in question. It is our view that users should be able to propose changes, and they should do this (in exactly the same way as National Grid) by raising such proposed changes with the Panel Secretary to be dealt with either via e-mail or at the GCRP.
- 16 **Changes to the scope of the relevant standards.** As has been highlighted, in drawing up the list of relevant standards, the aim has been to identify those standards which impose significant material obligations on users and which fall outside existing Code, Licence or any other existing governance procedures. Clearly a balance needs to be struck between transparency and efficiency, and to that end we believe the list of relevant standards should be capable of being amended in exactly the same way as the standards that fall within the existing remit. Namely, if a party believes a new standard should be added to the list they should bring that suggestion to GCRP. If there is a broad consensus between National Grid and the Panel that the standard should be added, National Grid will do so. If this is not the case a Working Group will be formed (if appropriate) and following that in all cases there will be wider Consultation on the subject. Following this, if there is still a lack of consensus, Ofgem will take the executive decision as to whether or not to add the suggested standard to the relevant scope of GES Standards.
- 17 **Use of e-mail.** Where National Grid or a User wishes to propose a change to one of the relevant standards (or an addition or deletion), it is proposed that the rules allow for this initial proposal to be made by e-mail. (i.e a Party does not necessarily have to table the proposed change at an actual

meeting of the GCRP.) In the absence of any significant objections from either National Grid or a User within a two week period following on from the proposed e-mail notification of the change, National Grid would have the executive power to make the change that had been proposed by e-mail. Clearly, if there were any objections no action could be taken until the next meeting of the GCRP and at this point the Governance model would operate as if the change had simply been tabled at the GCRP (i.e the GCRP would consider whether a broad consensus existed, a working group/ further consultation was needed etc etc.)

- 18 **Urgent Amendments.** The issue of “Urgent Amendments” was discussed in the National Grid Implementation paper that preceded this more formal Consultation Paper. Writing in response to the implementation paper, one party commented that they had a “slight reservation” as to the introduction of an Urgent Amendment process. They questioned the need for such urgent treatment, given that we were “dealing with mature engineering documents.” The respondent asked for specific examples of areas where Urgent changes might Urgent changes being brought forward might be envisaged. The User also asked whether it was proposed that in the interests of “reciprocity,” Users as well as National Grid were going to be given the right to propose Urgent Amendments. Another respondent to the Implementation paper suggested that potentially the “Urgent process” could be subsumed into the e-mail process.
- 19 We have considered carefully the points that have been raised in this area. We fully agree with the User who suggested that given the “mature nature” of these engineering documents, there are unlikely to be many Urgent Amendment proposals, and would cite no specific examples. We would also agree that in the interests of “reciprocity,” the Urgent Amendment process must be open to Users as well as National Grid.
- 20 We continue to believe it is possible that there may be situations where National Grid or a User believes that an amendment to one of the relevant standards needs to be made urgently, and that the normal processes are not sufficiently expeditious. In these circumstances the key must be to balance the immediate need for action against the appropriate checks and balances as to whether an Urgent Amendment is appropriate and justifiable. To this end, it is proposed that the new GES Urgent Amendment process should be similar in substance to existing CUSC Urgent Amendment provisions within the new GES arrangements. This would entail National Grid notifying the Panel and Ofgem (by e-mail) that an Urgent Amendment is proposed. An Urgent Amendment would only be implemented with the consent of Ofgem. However, the Panel would be entitled to request in these circumstances that the normal amendment procedures are subsequently used to review the Urgent Change, and clearly in these circumstances Ofgem might choose to undo the Urgent change following the operation of the normal amendment processes.
- 21 This in effect provides a double safeguard for users in relation to the proposed Urgent Amendment process. Firstly, that an Urgent Amendment

can only be approved by Ofgem. Secondly, that an Urgent Amendment will subsequently be capable of being reviewed by the Panel (and potentially superseded) using the GES normal Governance arrangements.

22 We do not believe that it would be appropriate to confuse in anyway the “urgent” Amendment process with the use of e-mail in a normal amendment process. Ultimately the use of e-mail is purely about a means of communication of proposed amendments. The Urgent Amendment process is somewhat different, being about a different approval process in certain circumstances.

23 **Use of the term “Governance of Electrical Standards.”** When commenting on the Implementation Paper, one User noted that “The Governance of Electrical Standards” may not be the most suitable heading to insert in the General Conditions.” We believe that the term “Governance of Electrical Standards” does have the advantage of being the term by which this exercise has been known since the outset, but is perhaps not necessarily the most appropriate enduring phrase. We would welcome users views and alternative suggestions on this.

Scope of Standards falling within the revised Arrangements

24 The JWG spent a considerable amount of time trying to establish the appropriate standards that would be appropriate to be covered within the GES Governance arrangements. The JWG concluded that the 18 NGC technical specifications identified below would encompass the new arrangements given their significant material effect on Users. In addition, that the provisions relating to EDT and EDL would also be included in the appropriate governance model.

25 National Grid believe that this carefully considered list of standards reflects the appropriate balance as to which standards should be incorporated within the revised Governance arrangements. However, in relation to EDT and EDL we believe that the best way of dealing with it would be to cross refer in the new provisions to CC6.5.8 in relation to EDT and EDL to ensure it is explicit how those areas are dealt with and that they form part of the wider provisions. We would welcome users views on this.

NGC Technical Specifications

Provisions Relating to EDT and EDL

26 Under CC6.2.1.2 NGC is required at all times to maintain a list of those Technical Specifications and additional requirements which might be applicable under this CC.6.2.1.2 and which may be referenced by NGC in the Bilateral Agreement. NGC shall provide a copy of the list upon request to any User. NGC shall also provide a copy of the list to any new User upon receipt of an application form for a Bilateral Agreement for a new

Connection Point. We propose to retain these provisions, which have worked well in practice.

NATIONAL GRID TECHNICAL SPECIFICATIONS

(Based on NGC NGTS Index Issue 5 March 2000)

Note: For Users connecting to the NGC Transmission System, they may be required to comply with National Grid Technical Specifications marked with a tick (*) in the left hand column. See clause CC6.2.1.2 of the Grid Code – such requirements will be defined in their Supplemental Agreement with NGC.

The JWG agreed that the following 18 NGTS's should fall within the revised Governance arrangements.

- * NGTS 1 Ratings and General Requirements for Plant, Equipment,
Issue 3 Mar-99
Apparatus and Services for the National Grid System and
Direct Connections to it.
- * NGTS 2.1 Substations Issue 2
May-95
- * NGTS 3.1 .1 Substation Interlocking Schemes
Issue 1 Oct-93
- * NGTS 2.2 Switchgear for the National Grid System
Issue 2 Nov-95
- * NGTS 3.2.1 Circuit-breakers and Switches Issue 1
Sep-92
- * NGTS 3.2.2 Disconnectors and Earthing Switches Issue 1
Mar-94
- NGTS 3.2.3 Metal-Oxide Surge Arresters for use on 132, 275 & 400 kV
Systems
Issue 2 May-
94
- * NGTS 3.2.4 Current Transformers for Protection and General Use on the
132 kV, 275 kV and 400 kV Systems
Issue
1 Sep-92
- * NGTS 3.2.5 Voltage Transformers for use on the 132 kV, 275 kV and
400kV Systems
Issue
2 Mar-94
- * NGTS 3.2.6 Current and Voltage Measurement Transformers for
Settlement Metering of the 33 * 66 kV, 132 kV, 275 kV and 400
kV Systems
Issue
1 Sep-92
- * NGTS 3.2.7 Bushings for the National Grid System
Issue 1 Sep-92

*	NGTS 3.2.9 Post Insulators for Substations May-96	Issue 1
*	NGTS 3.3.2 Dry-Type Reactors	Issue 1 Sep-92
*	NGTS 3.3.3 Co-ordinating Gaps	Issue 1 Sep-92
*	NGTS 2.6 Protection Jun-94	Issue 2
*	NGTS 3.6.3 Busbar Protection for 400 kV and 275 kV Double Busbar Switching Stations Nov-98	Issue 3
*	NGTS 3.6.8 Circuit-Breaker Fail Protection Jun-95	Issue 2
*	NGTS 3.11.1 Capacitors and Capacitor Banks Issue 1 Mar-93	

27 It is noted that NGC Grid Code requirements only apply to equipment in bays within the NGC busbar protection zone and does not impose standards on Users equipment outside this Zone.

C. COMMENTS

28 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 **28th November 2003**. The comments will be reviewed and responded to and National Grid will then prepare its report to the Authority.

29 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.

30. Your formal responses may be:-

sent to: Ben Graff
Senior Commercial Analyst
Industry Codes
Commercial Frameworks
National Grid Company plc
National Grid Transco House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Or emailed to: ben.graff@uk.ngrid.com

Ben Graff

APPENDIX A

Proposed New Section 11 Of The General Conditions

GC.11 GOVERNANCE OF ELECTRICAL STANDARDS

GC.11.1 In relation to the **Electrical Standards** the following provisions shall apply.

GC.11.2 (a) If **NGC** or a **User** wishes to:-

- (i) raise a change to an **Electrical Standard**;
- (ii) add a new standard to the list of **Electrical Standards**;
- (iii) delete a standard from being an **Electrical Standard**,

it shall activate the Electrical Standards procedure.

- (b) The Electrical Standards procedure is the notification by electronic mail to the secretary to the **Panel** of the wish to so change, add or delete an **Electrical Standard**. That notification must contain details of the proposal, including an explanation of why the proposal is being made.

GC.11.3 Ordinary Electrical Standard Procedure

- (a) Unless it is identified as an urgent Electrical Standard proposal (in which case GC.11.4 applies) or unless the notifier requests that it be tabled at the next **Panel** meeting, as soon as reasonably practicable following receipt of the notification, the **Panel** secretary shall forward the proposal, with a covering paper, by electronic mail to **Panel** members.
- (b) If no objections are raised within 10 Business Days of the date of the electronic mail, then the proposal shall be deemed approved pursuant to the Electrical Standards procedure, and **NGC** shall make the change to the relevant **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (c) If there is an objection (or if the notifier had requested that it be table at the next **Panel** meeting rather than being dealt with by electronic mail), then the proposal will be included in the agenda for the next following **Panel** meeting.
- (d) If there is broad consensus at the **Panel** meeting in favour of the proposal, **NGC** will make the change to the **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (e) If there is no such broad consensus, including where the **Panel** believes that further consultation is needed, **NGC** will establish a **Panel** working

group if this was thought appropriate and in any event **NGC** shall undertake a consultation of **Authorised Electricity Operators** liable to be materially affected by the proposal.

- (f) Following such consultation, **NGC** will report back to **Panel** members, either by electronic mail or at a **Panel** meeting. If there was broad consensus in the consultation, then **NGC** will make the change to the **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (g) Where following such consultation there is no broad consensus, the matter will be referred to the **Authority** who will decide whether the proposal should be implemented and will notify **NGC** of its decision. If the decision is to so implement the change, **NGC** will make the change to the **Electrical Standard** or the list of **Electrical Standards** contained in the Annex to this GC.11.
- (h) In all cases where a change is made to the list of **Electrical Standards**, **NGC** will publish and circulate a replacement page for the Annex to this GC covering that list and reflecting the change.

GC.11.4 Urgent Electrical Standards Procedure

- (a) If the notification is marked as an urgent Electrical Standards proposal, the **Panel** secretary will by electronic mail contact **Panel** members to see whether a majority who are contactable agree that it is urgent and in that electronic mail the secretary shall propose a timetable and procedure which shall be followed.
- (b) If such members do so agree, then the secretary will initiate the procedure accordingly, having first obtained the approval of the **Authority**.
- (c) If such members do not so agree, or if the **Authority** declines to approve the proposal being treated as an urgent one, the proposal will follow the ordinary Electrical Standards procedure as set out in GC.11.3 above.
- (d) If a proposal is implemented using the urgent Electrical Standards procedure, **NGC** will contact all **Panel** members after it is so implemented to check whether they wish to discuss further the implemented proposal to see whether an additional proposal should be considered to alter the implementation, such proposal following the ordinary Electrical Standards procedure.

Annex to the GC

The **Electrical Standards** are as follows:-

(a)	NGTS 1	Ratings and General Requirements for Plant, Equipment, Apparatus and Services for the National Grid System and Direct Connections to it	Issue 3 Mar-99
	NGTS 2.1	Substations	Issue 2 May-95
	NGTS 3.1.1	Substation Interlocking Schemes	Issue 1 Oct-93
	NGTS 2.2	Switchgear for the National Grid System	Issue 2 Nov-95
	NGTS 3.2.1	Circuit-breakers and Switches	Issue 1 Sep-92
	NGTS 3.2.2	Disconnectors and Earthing Switches	Issue 1 Mar-94
	NGTS 3.2.3	Metal-Oxide Surge Arresters for use on 132,275 & 400 kV Systems	Issue 2 May-94
	NGTS 3.2.4	Current Transformers for Protection and General Use on the 132 kV, 275 kV and 400 kV Systems	Issue 1 Sep-92
	NGTS 3.2.5	Voltage Transformers for use on the 132kV, 275kV and 400 kV Systems	Issue 2 Mar-94
	NGTS 3.2.6	Current and Voltage Measurement Transformers for Settlement Metering of the 33* 66kV, 132kV, 275kV and 400kV Systems	Issue 1 Sep-92
	NGTS 3.2.7	Bushings for the National Grid System	Issue 1 Sep-92
	NGTS 3.2.9	Post Insulators for Substations	Issue 1 May-96

NGTS 3.3.2	Dry-Type Reactors	Issue 1 Sep-92
NGTS 3.3.3	Co-ordinating Gaps	Issue 1 Sep-92
NGTS 2.6	Protection	Issue 2 Jun-94
NGTS 3.6.3	Busbar Protection for 400kV and 275kV Double Busbar Switching Stations	Issue 3 Nov-98
NGTS 3.6.8	Circuit-Breaker Fail Protection	Issue 2 Jun-95
NGTS 3.11.1	Capacitors and Capacitor Banks	Issue 1 Mar-93

- (b) CC6.5.8 deals with the specifications for electronic data communications facilities with reference to EDT and EDL facilities. The procedure for updating is set out in CC6.5.8 and so such documents and/or procedures do not fall under this list of Interim Technical Standards.

New Definition

(to be inserted into G&D)

<u>Electrical Standard</u>	A standard listed in the Annex to the General Conditions
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