

Stage 02: Industry Consultation

Grid Code

F/11 Generator Led Due Diligence Review

What stage is this document at?

01	Working Group Report
02	Industry Consultation
03	Report to the Authority

This proposal seeks to modify the Grid Code to implement the proposed changes identified from a due diligence review of the Generator Led changes implemented by the Authority using the Secretary of State powers.

This document is open for Industry Consultation. Any interested party is able to make a response in line with the guidance set out in Section 5 of this document.

Published on: 03 February 2012
Length of Consultation: 20 Working Days
Responses by: 02 March 2012



National Grid recommends:

F/11 should be implemented as it better facilitates Applicable Grid Code objectives (i) and (iii)



High Impact:

None identified



Medium Impact:

None identified



Low Impact:

Offshore Generators undertaking Generator Led build options

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Any Questions?

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About this document

This Industry Consultation outlines the information required for interested parties to form an understanding of a defect within the Grid Code and seeks the views of interested parties in relation to the issues raised by this document.

Parties are requested to respond by **02 March 2012** to grid.code@uk.ngrid.com

The Annexes for F/11 are in a separate document and can be found on the National Grid website:

http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/current/F_11/

Proposer:

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Document Control

Version	Date	Author	Change Reference
0.1	30 January 2012	National Grid	Draft Industry Consultation
1.0	03 February 2012	National Grid	Final Industry Consultation

F/11 Industry
Consultation

03 February 2012

Version 1.0

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1 Executive Summary

- 1.1 This document describes the F/11 Modification Proposal and seeks views from industry members relating to the proposal.
- 1.2 F/11 aims to implement changes identified from a due diligence review, which was conducted between July and August 2011 by National Grid and Ofgem, on the Generator Led changes that were implemented into the Grid Code on 31 December 2010.
- 1.3 F/11 was proposed by National Grid and submitted to the Grid Code Review Panel for their consideration on 17 November 2011. The Panel determined that the proposal should be sent out to Industry Consultation for a period of 20 Business Days.
- 1.4 An electronic copy can be found on the National Grid Website, http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/current/F_11/

National Grid View

- 1.5 National Grid supports the implementation of F/11 as it better facilitates the Applicable Grid Code Objectives (i) and (iii). This is achieved by providing additional clarity around the requirements for offshore generators that are undertaking a Generator Led build option.

2 Why Change?

- 2.1 To implement the various Generator Led build options, changes were made to the Grid Code, by the Authority using the Secretary of State powers, which placed obligations on Offshore Generators wishing to undertake activities otherwise undertaken by an Offshore Transmission Owner (OFTO). These changes, implemented in December 2010, aimed to ensure that transmission assets comply with the same standards whether constructed by a Generator or an OFTO.
- 2.2 As part of the *Government response to consultations on offshore electricity transmission*¹ it was recognised that the Generator Led changes made to the Grid Code had been developed over a relatively short period of time. In response to this, it was stated that a due diligence review of the Grid Code would take place.
- 2.3 Following discussion between National Grid and Ofgem, it was agreed that National Grid would lead on a review, with support from Ofgem, and any changes that were identified would be progressed through the standard governance route. The scope of the review did not include introducing new arrangements for the Generator Led build option but rather aimed to ensure that no unintended consequences existed as a result of the implemented Grid Code drafting.
- 2.4 The review examined the text that was implemented into the Grid Code against the general intentions of the changes which were outlined in the *Government response to consultations on offshore electricity transmission*. The intentions of the Generator Led changes were to:
- Where the generator does not indicate disinterest in generator build or late OFTO build, we have introduced a requirement on the NETSO to provide network data to the offshore generator to ensure the offshore generator has sufficient information to assess the viability of each option.
 - Provide a consistent approach to the numbering and nomenclature of assets at sites shared by the offshore generator and the Transmission Licensee. This will ensure the safe and effective operation of the NETS.
 - Change the scope of data and timing of data provision requirements applicable to the NETSO. This will ensure that the offshore generator has sufficient information about the NETS to make a decision between the range of options available i.e. early OFTO build, late OFTO build and generator build. It will also allow the offshore generator to develop an offshore transmission system design.

¹<http://www.ofgem.gov.uk/Networks/offtrans/pdc/cdr/Cons2010/Documents1/Government%20response%20to%20offshore%20transmission%20consultations.pdf> (published 15 December 2010)

- Define explicit obligations with which the Offshore Generator must comply when constructing transmission assets, to ensure that the minimum standards of the NETS can be maintained.
- Change the scope of data and timing of information provision requirements applicable to the Offshore Generator to ensure that the NETSO:
 - has sufficient information to populate bilateral agreements that it will be required to enter into;
 - can operate the NETS (and plan for the operation of the new infrastructure as part of NETS); and
 - comply with the obligations placed upon it under the STC.

2.5 The review also considered the experience that National Grid has gained through the Transitional Tender rounds and how that could be applied to improve the clarity of the Generator Led arrangements in the enduring regime.

2.6 The review did not identify any unintentional interactions as a result of the changes that were implemented into the Grid Code on 31 December 2010. The review did however identify a number of changes that will improve the clarity of the arrangements and the consistency of the changes across the Grid Code and the CUSC.

2.7 It should be noted that a due diligence review of the CUSC changes has been carried in parallel with the Grid Code review.



Annexes

- 3.1 F/11 seeks to implement the proposed changes identified in Annex 1.
- 3.2 There are number changes proposed throughout the Glossary and Definitions (G&D), Planning Code (PC), Connection Conditions (CC) and Data Registration Code (DRC). The proposed changes do not seek to introduce new arrangements but merely add clarity and consistency to the existing generator led arrangements and the arrangements that apply to OFTOs under the STC.
- 3.3 The main change proposed to aid Users is the creation of Schedule 18 in the DRC which now contains all the relevant information that a Generator undertaking OTSDUW and connecting to a Transmission Interface Point must submit. It is also designed to ensure consistency between the data submitted under the Generator Led option and the data that an OFTO would have to submit under the STC.
- 3.4 It is recognised that this due diligence review was conducted by National Grid and Ofgem, and had a fairly narrow scope. As such, Users have not been able to input into the review process. If Users identify any other issues that have not been included in the proposals, they should be noted in the Industry Consultation responses.

The F/11 Annexes are contained in a separate document and can be found on the National Grid website:

http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/current/F_11/

Proposed Implementation

- 3.5 As the Due Diligence review examined both the Grid Code and the CUSC, it is proposed that implementation of both the CUSC and Grid Code changes are aligned.
- 3.6 The CUSC modification proposes that the implementation date is 10 Business Days following a decision from the Authority and it is suggested that the Grid Code modification aligns with this.

4 Impact & Assessment

Impact on the Grid Code

4.1 F/11 requires amendments to the following parts of the Grid Code:

- Glossary and Definitions
- Planning Code
- Connection Conditions
- Data Registration Code

4.2 The text required to give effect to the proposal is contained in Annex 1. The F/11 Annexes are contained in a separate document and can be found on the National Grid website:

http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/current/F_11/

Impact on National Electricity Transmission System (NETS)

4.3 The proposed changes will not have any impact on the NETS.

Impact on Grid Code Users

4.4 The proposed modification will not have any adverse impact on Grid Code Users. It will make the requirements for those Generators undertaking OTSDUW (Offshore Transmission System Development User Works) clearer and less ambiguous.

Impact on Greenhouse Gas emissions

4.5 The proposer has not identified any material impacts on Greenhouse gas Emissions.

Assessment against Grid Code Objectives

4.6 National Grid considers that F/11 would better facilitate the Grid Code objective:

- (i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity;

Clarification of arrangements will allow for a more efficient development of the Offshore Transmission network by removing ambiguity and providing clearer requirements for Generators undertaking a Generator Led build option.

- (ii) to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms which neither prevent nor restrict competition in the supply or generation of electricity);

The proposal has a neutral impact on this objective.

- (iii) subject to sub-paragraphs (i) and (ii), to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole; and

Clarification of arrangements will improve the efficiency for the development of Offshore Transmission networks.

- (iv) to efficiently discharge the obligations imposed upon the licensee by this license and to comply with the Electricity Regulation and any relevant legally binding decisions of the European Commission and/or the Agency.

The proposal has a neutral impact on this objective.

Impact on core industry documents

4.7 The proposed modification does not impact on any core industry documents.

Impact on other industry documents

4.8 The proposed modification does not impact on any other industry documents.

5 Consultation Responses

- 5.1 Views are invited upon the proposals outlined in this consultation, which should be received by **02 March 2012**.
- 5.2 Your formal responses may be emailed to:
grid.code@uk.ngrid.com
- 5.3 Responses are invited to the following questions:
- (i) Do you support the proposed implementation approach?
 - (ii) Do you believe the F/11 better facilitates the Applicable Grid Code Objectives as set out in paragraph 4.6?
- 5.4 If you wish to submit a confidential response please note the following:
- (i) Information provided in response to this consultation will be published on National Grid's website unless the response is clearly marked "Private & Confidential", we will contact you to establish the extent of the confidentiality. A response marked "Private and Confidential" will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Grid Code Review Panel or the industry and may therefore not influence the debate to the same extent as a non confidential response.
 - (ii) An automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked "Private and Confidential".