

The National Grid Company plc

**Minutes of the
Grid Code Review Panel
NGT House, Warwick
23 September 2004**

Members/Alternates**Advisors/Observers**

Ben Graff	(BG)	)	(Chair)		
David Payne	(DP)	)	(Secretary)		
Patrick Hynes	(PH)	)		Jo Hutchison	(JH)
Nasser Tleis	(NT)	)	National Grid	Shafqat Ali	(SAI)*
Rachel Morfill	(RM)	)		Mark Duffield	(MD)**
John Greasley	(JG)	)		*For Agenda Item 8	
				** For Agenda Item 9	
Neil Sandison	(NS))			
Mike Kay	(MK)	)	Network Operators		
Bridget Morgan	(BM)	)	OFGEM	Steve Argent	(SAr)
John Norbury	(JN)	)	Generators with Large	Claire Maxim	(CM)
John Morris	(JM)	)	Power Stations with	Charlie Zhang	(CZ)
Richard Hyde	(RH)	)	total Reg. Cap.> 3GW	Campbell McDonald	(CMc)
David Ward	(DW)	)	Generators with Large		
		)	Power Stations with		
		)	total Reg. Cap.< 3GW		
Malcolm Taylor	(MT)	)	Gens without Large		
		)	Power Stations		
Roger Salomone	(RC)	)	BSC Panel		
Stuart Graudus	(SG)	)	Non Embedded Customer		
Chandra Trikha	(CT)	)	Relevant Transmission Owner		
David Nicol	(DN))			
Guy Nicholson	(GN)	)	Novel Units		

1 INTRODUCTIONS

- 1 BG explained that this would be the first meeting of the 'GB'GCRP and welcomed the new members to the Panel.

2 APOLOGIES FOR ABSENCE

- 2 Apologies were received from:

- Ian Gray (DNO)
- Jean Pompee (EISO)
- Nick Carter (Suppliers)

3 GCRP CONSTITUTION AND RULES

3 PH explained that the Grid Code General Conditions required that the GCRP had in place a set of Rules and Procedures. Ofgem had included draft GCRP Constitution and Rules in the GB Consultation. GCRP members now needed to agree the Constitution and Rules. Ofgem would then need to approve them.

4 DN noted that the normal venue for meetings given in section 10.1 should be amended to NGT House, Warwick. It was also noted that meetings were held in September rather than August and not on the first business day of the month. DP pointed out that 10.1 enabled other regular scheduled times and so this clause did not require amendment.

5 With the above correction Panel members agreed the Constitution and Rules (as revised at BETTA GO-ACTIVE).

4 APPROVAL OF MINUTES OF PREVIOUS E&W MEETING (040520drpm)

6 The following corrections to the minutes were noted:

7 Minute 1767 – JN noted that a Bilateral Agreement would be entered into with Users or NGC.

8 Minute 1762 – Insert ‘not’ before ‘unique’.

9 Minute 1778 – Line 7 – insert ‘ or sequence of actions’ after ‘actions’.
Minute 1778 – Line 8 - change ‘would’ to ‘could’.

10 Minute 1794 – Correct misspelling of ‘Grid’.

11 Minute 1799 – Amend the statement to indicate that the constituent had stated that connection documentation contained references to a substantial number of NGTS’s that did not appear on the GES website.

12 Minute 1749 – It was pointed out that the compensation arrangements for network constraints should have referred to Transmission network constraints and matters relating to distribution network constraints should be addressed to the Distribution Director at Ofgem (Martin Crouch). It was also stated that with respect to Transmission constraints NGC was continuing with work on the terms of connection arrangements under BETTA.

13 The minutes were otherwise agreed as a true record of the previous meeting.

5 MATTERS ARISING FROM PREVIOUS E&W MEETING (not covered below)

14 MT stated that with respect to the BSC it was Ofgem’s intention to indicate whether a particular modification proposal would require a Regulatory Impact Assessment when the modification proposal was being finalised. MT indicated that industry members welcomed the RIA approach as it increased transparency. MT asked if it was the intention to take a similar approach with Grid Code modification proposals. BM responded that it was the intention to carry out a similar approach with the Grid Code but would need to recognise the more flexible Grid Code governance arrangements.

5.1 Summary of actions (GCRP 04/17)

- 15 Action 1677 – Publication of Consultation Responses on the website. BG and MT agreed to have a separate discussion following the GCRP meeting.
- 16 Action 1798 – Protocols for review of target frequency. This was the subject of a limited NGC review and a paper would be brought to a future GCRP meeting. The issue would be added to the Outstanding Issues list.
- 17 **Action:** *DP to add to Issues List*
- 18 All other actions were complete and/or covered by other Agenda items.

6 GRID CODE DEVELOPMENT ISSUES (GCRP 04/18)**6.1 Report On Progress Of Consultation Papers (GCRP 04/18Table 1)**

- 19 Table 1 of paper GCRP 04/18 detailed the current position with consultations. The following additional points were noted.
- 20 F/04 – Development of Maximum Generation Service. This had been approved by the Authority on 20th September for implementation on 4th October 2004.
- 21 G/04 – Changes to OC1 and OC2. This had been approved for implementation on 11th October. JG pointed out that the Grid Code changes were to be implemented in parallel with other associated changes. An information pack was expected to be sent out shortly which outlined these associated changes and what they were expected to achieve. The pack would be sent to GCRP members and would be included on the Industry Information website.
- 22 H/04 – Generic Provisions. The proposed Grid Code changes were now to be considered against the Issue 3 Grid Code text and NGC was accordingly preparing the text changes against Issue 3. In addition a Regulatory Impact Assessment (RIA) would be carried out in parallel with a GB Grid Code consultation. It was expected that given the associated timescales for the consultation and the associated responses and conclusions, a decision on H/04 could not be expected before the end of 2004.
- 23 MK asked if was expected that all Grid Code change proposals would be subject to RIA's. BM explained that the requirement was for all 'significant' change proposals to undergo a RIA. Ofgem would be seeking the assistance of the Licencees to provide information to enable Ofgem to carry out RIA's.

6.2 Other Issues (GCRP 04/18Table 2)

- 24 PH stated that the GB GCRP now had an obligation to consider the regional differences included in the Grid Code. Panel members agreed that this should be added to the Issues list.
- 25 **Action:** *DP to update the Issues list.*

7 LEEMPS WORKING GROUP REPORT (GCRP 04/19)

- 26 The report stated that the next meeting of the working group was scheduled for 12th October at which final Grid Code and Dcode drafting would be considered along with final reports to the GCRP and DCRP.
- 27 The report recognised that LEEMPS had been focussed on the mechanisms for passing through obligations rather than the merits of the obligations themselves. MT commented that this inferred that the merits of the obligations would be considered elsewhere. PH explained that LEEMPS had arisen out of the Embedded Power Stations working group to establish a contractual framework. One possible scenario was that the Embedded Power Stations group could now go on to consider the actual obligations. The LEEMPS working group final report would highlight those areas that had been identified as requiring additional work but had fallen outside the LEEMPS terms of reference. It was expected that the final working group report would be provided at the November GCRP meeting

8 Review of Electricity Market Information (GCRP 04/20)

- 28 SAI explained that the paper effectively aimed to initiate the second phase of the REMI work and recommended that a working group could be set up to review the provisions in OC1 and OC2. The aim of the working group would be to consider OC1 and OC2 from scratch including which parties obligations should apply to and what information should be provided. Data collection and publication by other groups such as the BSC would also be considered. The paper also included proposed Terms Of Reference for the working group.
- 29 NS asked whether NGC believed there was a fundamental problem with OC1 and OC2. JG commented that views differed on whether there were fundamental problems and the industry was invited consider the issues through the working group.
- 30 JN expressed concern over the continuous gerrymandering that he believed was apparent in the approach to OC1 and OC2 change proposals given that there were existing consultations and that the NGC Transparency Review had also identified some changes. JN felt there was a need to consider core information flows and reduction of administrative burden on parties. JG explained that the objective of the working group would be to identify what information exchange was required between key players. Additionally the ToR identified that a by-product of OC2 processes was data provision to the market although what is actually supplied to the market is not a Grid Code issue.
- 31 MT felt that the cost/benefit statement in paragraph 3.5 of the ToR was very important and requested that the ToR were amended to reinforce that the review would take a zero based approach and recognise the impact on Users and NGC in terms of cost. MT also felt there was scope for reviewing the amount of data that was provided to NGC through OC1/OC2.
- 32 BG asked GCRP members to provide working group nominations to DP. It was expected that the first meeting would be held in October. National Grid agreed to update the ToR as discussed by Panel members.

33 **Action:** *GCRP members to provide nominations for the OC1/OC2 working group.*

34 **Action:** *JG/SAI to update the ToR for the working group.*

35 On a related issue CM expressed concern that there had been little information circulated on the proposed OC2 web based system. RM explained that some problems had been experienced but it was expected that implementation would be 13 December 2004. National Grid appreciated the concerns of participants especially in relation to the tight timescales for implementation and undertook to ensure that all parties were updated on progress as appropriate. JG also pointed out that this issue would be included in presentations at the Operational Forum on 6 October 2004.

9 Intertrips (GCRP 04/21)

36 MD provided a high level briefing on Proposed Grid Code changes which would be required as a consequence of CUSC amendment proposal CAP076.

37 JN expressed concern that the proposals had been put forward without the opportunity for wider industry discussion of the associated issues. JN noted that the problem with intertrips was the risk of plant damage and the proposal did not identify circumstances under which intertrips were required as a mandatory service. JN also expressed the opinion that the proposed changes were driven by NGC to make intertrips more accessible and without adequate technical specifications for intertrips it was difficult for generators to understand the rules taken on by arming intertrip schemes. BG responded that the industry consensus was that this issue had been discussed at length without action therefore the CUSC Amendment proposal now gave parties the opportunity to take part in the discussion. CAP076 also addressed the remuneration aspects of consequent plant damage and would be one of the issues dealt with by the CUSC Working Group. PH agreed that there could be better technical requirement in the Grid Code but this was not consequential on CAP076. This was possibly an issue to be taken forward at a later date.

38 CZ stated that some basic rules on intertrip arming and use would be helpful and suggested that it could be possible to restore an ex CEGB specification document for intertrips as an NGTS. PH responded that the level of detail in NGTS's was not appropriate for the Grid Code. NT stated that the Grid Code was only intended to include general requirements and the type of intertrip used in a certain situation was entirely dependent on the local complexity. However NGC would welcome suggestions for detail to be included in the Grid Code. DW felt it would be helpful if the Grid Code could include when an intertrip might be required. JN stated that the industry would welcome clarification/understanding on what types of intertrip might be acceptable.

39 DN pointed out that intertrips also affected large industrial demand but CAP076 only appeared to apply to generators. JG agreed but suggested that the CUSC Working Group would consider this issue and this may or may not lead to an alternative proposal. There were also other associated issues that BSSG may consider such as the intertripping of embedded generation through transmission constraints but care would be needed to ensure that the task did not become overwhelming.

- 40 BG explained that paper GCRP 04/21 notes the progress and intentions of CAP076. Additional consequential and clarification Grid Code changes would be proposed and Panel members were asked whether these should be taken forward.
- 41 MT felt that the statement in paragraph 4 of the paper with respect to distortion of imbalance prices was factually incorrect as this was only a NGC assertion. DN also suggested that it should be made clear that the categories of intertrip was not an exhaustive list.
- 42 DW asked whether there was a need for a Grid Code working group. PH stated that the CUSC working group would develop the main proposals and the consequential Grid Code changes would then be developed and circulated to Panel members by e-mail if necessary. As it was proposed that changes to the CUSC , BSC and Grid Code were required, the timescales would be aligned such that the various reports to the Authority were sent at the same time. This was expected to be approximately February 2005. A Grid Code consultation would be timed accordingly.
- 43 Panel members agreed the recommendations in paragraph 29 of the paper.

10 Revised Arrangements for Multi Unit BMU's (GCRP 04/22)

- 44 RM explained that the paper was a continuation from a letter sent out last winter. NGC had discussed the issues internally and would prefer to continue with a PGBT approach but would also like to expand the use of BOA's. This was seen as interim method only. Panel members were asked to approve the approach for this winter 2004/05.
- 45 DW stated that his constituents were comfortable with the proposed approach for this winter but not as an enduring solution. RM stated that an enduring solution was being developed and confirmed that the proposals outlined in the paper were required for winter 2004/05 only. JG noted that the provisions were only put in place last winter as route for obtaining information as a result of concerns with margins. This route would be used again for this winter. An enduring solution would not be developed until 2005. MT noted that the development of an enduring solution would need to be started in February/March 2005.
- 46 JN expressed disappointment that an enduring solution had not been developed during 2004. JN noted that the proposed approach was basically a paper workaround of the Balancing Mechanism rules by allowing the 2 min. NTO limit for BMUs at large power stations to be exceeded for CCGTs. This would contribute to distorting BM prices and reducing BM transparency. He suggested that if the arrangement was to be retained in its current form it should be extended to all categories of large power station or, if required only for network security reasons, it should apply only during emergency circumstances.
- 47 RM noted the concerns and comments expressed by Panel members and stated NGC would consider these when developing an enduring proposal.

11 High Frequency Trip Setting on small embedded plant (GCRP 04/23)

- 48 The paper was concerned with a lack of clarity of requirements for plant between 5 and 50 MW as a result of an apparent gap in documentation. This was a possible cause for concern for the future and if not addressed there was future possible risk

to system performance. National Grid believed that this should be included on the list of issues to consider in the future. Although there was a possible associated issue with micro chp NGC was not concerned with less than 5MW at this point in time.

- 49 GN noted that it would be helpful if National Grid could quantify the concerns.
- 50 DW pointed out that G59/1 also requires trip at 49.5Hz and suggested that NGC should consider this situation if necessary.
- 51 MT agreed that concern for the future was recognised. However there was an issue associated with the leadtimes for design and manufacturing of plant and suggested there was a need to consider the issue sooner rather than later and to ensure that the situation did not arise where obligations would need to be applied retrospectively. Therefore it would be helpful to quantify materiality of issue and when has an impact.
- 52 GN pointed out that in addition DNO connections and the knock on effect on protection for anti-islanding should be considered..
- 53 BG Noted the comments of the Panel and agreed that the issue should be included on the list of issues for future discussion.
- 54 **Action:** *DP to include High/Low frequency trip settings of small embedded plant on the issues list.*

12 Annual RoCof Report (GCRP 04/24)

- 55 RM explained that the Scope of the report had been extended to consider other significant disturbances incidents as well as RoCoF events as agreed by GCRP members at the September 2003 meeting. However there had been no such incidents over the period covered by the Report. The report did not cover events in Scotland although it was felt that it would be useful to do so in the future. Information could be provided in response to a request from NGC. RM undertook to provide a copy of the relevant procedure to GCRP members for clarity.
- 56 **Action:** *RM to provide copy of NGC procedure to GCRP members.*
- 57 It was suggested that the Report title should be amended to reflect that it now covers other significant disturbances as well RoCoF incidents.
- 58 CMc suggested that it would be useful to continue collecting data on the England and Wales trends so that this data was not lost when taking Scottish events into account.

13 BSC/CUSC MODIFICATION PROPOSALS (GCRP 04/25)

BSC

- 59 Nothing additional to report at the meeting

CUSC

60 CAP 070 – Short Term Firm Access Service. No consequential Grid Code changes had been identified.

14 REPORT FROM SCOTTISH GCRP

61 An informal report was provided by Chandra Trikha and David Nicol.

62 The Scottish Licencees proposals for wind farm requirements in the Grid Code and Consultation SA2004 had again been the main topic. SGCRP members had been made aware of progress. Consultation SA2004 had been carried out in parallel with Consultation H/04. A Report to the Authority had now been submitted and Ofgem was expected to carry out an Impact Assessment. This was expected to be carried out in October followed by a GB Consultation on the proposals.

63 The SGCRP also discussed Governance of Electrical Standards and it was expected that the England and Wales Grid Code model would be followed.

15 Transition

64 This agenda item provided an opportunity to raise any points now that BETTA was in the GO-ACTIVE STAGE.

65 PH pointed out that there would now need to be a transition Grid Code consultation prior to Go Live on activation of OC2 AND THE Balancing Codes.

66 With respect to future GB GCRP meetings BG noted the concerns with room layout and sound given the increased number of people attending the meeting. NGC would consider if the problems could be rectified.

67 Any other points or comments could be addressed to the GCRP secretary or Chairman.

16 2005 GCRP Meeting Dates (GCRP 04/26)

68 The proposed meeting dates and venues were noted. PH pointed out that there were now Grid Code provisions enabling members to attend meetings via telconference.

17 ANY OTHER BUSINESS

AOB1

69 Damhead Creek incident. MT stated that there had been commercial and technical consequences and noted that the issue was soon to be taken forward through the BSC. MT asked if NGC had been asked by Ofgem to provide a report for publication in the public domain.

70 JG responded that NGC would provide an update at the 6 October Operational Forum. This update would provide the background to the Grid Code provisions in relation to Emergency Instructions, explain the description of what constitutes an Emergency and then describe the situation on the day of the incident and the processes followed.

- 71 MT stated that this was the first incidence of an Emergency Instruction since NETA GO Live and the industry needed to understand the circumstances and learn from the incident.
- 72 JN stated that the Grid Code lacked a description of Emergency Instruction circumstances and actions to be taken.
- 73 MK asked if there was an other public domain information on the situation available. JG explained that an Elexon circular had been produced and passed a copy to MK at the meeting.

AOB2

- 74 MT pointed out that as BM was about to start maternity leave this would be her last GCRP meeting for some time. MT took the opportunity to wish BM well for the future on behalf of GCRP members.

18 DATE, TIME & VENUE OF NEXT MEETING

- 75 Thursday **25th November 2004**, starting at **10:30 am**, at NGT House, Warwick.