

THE NATIONAL GRID COMPANY plc

Revisions to the Grid Code

Consultation Paper C/01

MEMBERSHIP OF THE GRID CODE REVIEW PANEL

29 May 2001

A. Introduction

1. The National Grid Company plc ("NGC"), in accordance with its obligations under paragraph 2 of Condition 8 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 relates to the categories of membership of the Grid Code Review Panel. The proposed changes to the Grid Code were discussed at the Grid Code Review Panel meeting held on 17th May 2001. Panel members agreed that NGC should issue a Consultation Paper.
3. Following receipt of comments from those authorised electricity operators which it has consulted by this Paper, NGC intends, in accordance with paragraph 2 of Condition 8 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 NGC (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 8 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 NGC in the course of the review) arising during the consultation process and subsequently maintained.
4. The revisions to the Grid Code proposed by NGC 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 NGC, in accordance with the Authority's approval.
5. There is a need, in parallel with the Grid Code changes, to progress a change to the Grid Code Review Panel Constitution and Rules which also reflects the

categories of membership. The Constitution and Rules are changed by the Panel, with the approval of the Authority.

B. DESCRIPTION OF THE PROPOSED AMENDMENTS AND THEIR EFFECTS

6. Background

6.1 The basic structure of categories of membership represented at the Grid Code Review Panel has remained broadly unchanged since the initial arrangements were put in place in 1990. A number of factors have arisen over the years which now make it appropriate for a review of the categories of membership to be considered.

7. The Proposed Changes

7.1 The current membership of the Grid Code Review Panel, as described in the General Conditions of the Grid Code, consists of:-

- (a) a Chairman and up to 4 members appointed by **NGC**;
- (b) a person appointed by the **Director**; and
- (c) the following members:
 - (i) 3 persons representing those **Generators** each having **Large Power Stations** with a total **Registered Capacity** in excess of 5 GW;
 - (ii) a person representing those **Generators** each having **Large Power Stations** with a total **Registered Capacity** of 5 GW or less;
 - (iii) 3 persons representing the **Public Electricity Suppliers**;
 - (iv) a person representing the **Generators** with **Small Power Stations** and/or **Medium Power Stations** (other than **Generators** who also have **Large Power Stations**);
 - (v) a person representing the **BSC Panel**; and
 - (vi) a person representing the **Externally Interconnected System Operators**;

7.2 It should be noted that, to reflect the changes introduced by the Utilities Act 2000, the term "Director" will be replaced by "Authority" in a Grid Code revision expected to be approved shortly, and so does not need to be considered in these changes.

7.3 Changes affecting the licences of Public Electricity Suppliers are planned for the near future, creating new licences for Distribution Network Operators and Suppliers. Hence it is proposed that the three persons representing Public Electricity Suppliers be replaced by three persons representing Network Operators plus one person representing Suppliers. This would provide representation for all Suppliers for the first time, reflecting the greater impact of the Grid Code on Suppliers since the introduction of NETA.

- 7.4 There is currently no representation for Non-Embedded Customers, so it is proposed that a place should be created for a representative of this group of Users.
- 7.5 Generators with Large Power Stations are currently represented via one of two classes of members, depending upon whether the company has a total of 5 GW of generating plant or not. It has been suggested that this distinction is somewhat artificial, particularly in the light of the significant growth in the number of companies with Large Power Stations with a total Registered Capacity of 5 GW or less. There are currently around thirty companies in this group, (although many of them are "single power station" companies) compared with four companies in the ">5GW" group. NGC has suggested that the distinction between these two groups of generators should be removed, creating a class of four persons representing Generators with Large Power Stations. NGC would welcome the views of Users to this suggestion, in order to consider those views in preparing the final proposals.
- 7.6 Following this consultation, proposals for changes to the General Conditions will be sent to the Authority for approval, along with a revised version of the "Constitution and Rules" of the Grid Code Review Panel approved by the Panel, which also require approval by the Authority as indicated above.

B. COMMENTS

8. NGC 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 NGC by 29th June 2001. The comments will be reviewed and responded to and NGC will then prepare its report to the Authority.
9. Your formal responses may be:-

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