

System Management
Action Flagging
Methodology Statement

Annual Industry Consultation

national**grid**

Executive Summary

In accordance with Standard Condition 16 (C16) of its Electricity Transmission Licence, National Grid is required to conduct an annual review of all licence statements, and if necessary propose changes to the C16 statements.

This consultation proposes that the following changes are made to the System Management Action Flagging Methodology (SMAF) Statement:

- Inclusion of Black Start warming, as a service that will be SO-Flagged
- General document review and update as required

This consultation seeks industry views on the proposed changes to the SMAF Statement and also invites views on any other aspects of the SMAF Statement. The proposed changes are further detailed in Section 2 of this consultation.

National Grid does not propose to make any amendments to other C16 statements as part of this annual review. If changes to other C16 statements become necessary in due course, National Grid will bring forward a separate consultation in accordance with C16.

National Grid welcomes views on the proposals contained within this document; responses are required by 2nd February 2012. Details on how to make a response can be found in Section 4.

Following receipt of responses to this consultation, National Grid will prepare and submit a report to the Authority by 9th February 2012. This consultation, industry responses and the consultation report will all be published at the link below:

<http://www.nationalgrid.com/uk/Electricity/Balancing/consultations/>

If you have any questions about this document please contact:

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1 Introduction

In accordance with Standard Condition 16 (C16) of its Electricity Transmission Licence, National Grid is required to conduct an annual review of all licence statements.

Following a review of the System Management Action Flagging Methodology (SMAF) Statement, several changes are proposed to the document.

The SMAF Statement was introduced following the implementation of BSC Proposal P217A, and identifies a number of balancing services that may be SO-Flagged. A service will be flagged if it has been undertaken for system management reasons. Costs associated with SO-Flagged services are generally removed from cashout calculations.

This consultation seeks industry views on the proposed changes to the SMAF Statement; the changes are set out in Section 2. The proposed changes can only become effective if they are approved by the Authority.

National Grid does not propose to make any amendments to other C16 statements as part of this annual review. If changes to other C16 statements become necessary in due course, National Grid will bring forward a separate consultation in accordance with C16.

2 Proposed Changes to the SMAF

In areas where there are no Black Start stations running on a regular basis, it may be necessary to warm and run the most economic Black Start stations in order to maintain an effective Black Start capability.

As the purpose of this exercise is to ensure that there is a sufficient level of confidence in Black Start stations to deliver system restoration (if required), the costs associated with Black Start warming and running are considered to be closely linked with the system. As such, it is considered appropriate to include Black Start warming and running as a SO-Flagged service, which will affect how associated costs are treated in the cashout calculations.

The table below shows the text that will be inserted into the SMAF Statement to identify that Black Start warming will be SO-Flagged.

The general document review makes changes to clarify existing wording and definitions, and update typos.

Changes (aside to format changes) are listed in Table 1 below.

Reference	Change	Comment
Part B Section 3 The balancing services that will be SO-Flagged	Insert: <u>Black Start Warming</u> BMUs that are warmed and run to maintain black start capability should be SO-Flagged, i.e. any BM Start-Up instructions and BOAs sent to the BMU in question should be SO-Flagged.	A new paragraph inserted
Complete document	General wording and typo updates	General document revision

Table 1 – Proposed SMAF changes

The proposed changes detailed above are shown in a changed marked version of the SMAF as Appendix A.

3 Consultation Questions

The consultation questions detailed here are also summarised within a response proforma as Appendix B.

Consultation Question 1

Do you agree that the changes proposed to the SMAF, shown in Table 1, have been implemented correctly to the SMAF in Appendix A?

Consultation Question 2

Do you agree that the changes proposed to the SMAF, shown in Table 1 and in Appendix A, should be made?

Consultation Question 3

Do you have any other comments in relation to the changes proposed to the SMAF?

4 Responding

Responses should be submitted by replying to the consultation questions within the response proforma, attached as Appendix B and e-mailing the completed proforma to balancingservices@uk.ngrid.com

If you do not wish any elements of your response to be made publicly available, please mark these as confidential.

Due to the holiday period, the consultation period for this document has been extended from the minimum 28 days to 41 days.

Responses are therefore required by **2nd February 2012**. Following the consultation, a report will be produced and submitted to the Authority within seven days of the consultation close. Due to the timescales for the Authority report, it may not be possible to accept late consultation responses.

It is envisaged that, unless directed otherwise by the Authority, the implementation date for the revised SMAF will be 1st April 2012.

5 Next Steps

Following receipt of responses to this consultation, National Grid will prepare and submit a report to the Authority in accordance with Electricity Transmission Licence Standard Condition C16 paragraph (8). The consultation document, consultation report, and all responses, will be published on National Grid's website:

www.nationalgrid.com/uk/Electricity/Balancing/consultations/

The current version of the subject document referred to in this report can be found at the following link:

www.nationalgrid.com/uk/Electricity/Balancing/transmissionlicensestatements/

Appendix A - Revised SMAF Statement

Please see separate document.

Appendix B - Consultation Questions

National Grid invites responses to this consultation by 2nd February 2012. The responses to the specific consultation questions (below) or any other aspect of this consultation can be provided by completing the following proforma.

Please return the completed proforma to balancingervices@uk.ngrid.com

Respondent:	
Company Name:	
Does this response contain confidential information? If yes, please specify.	

No	Question	Response (Y/N)	Rationale
1	<i>Do you agree that the changes proposed to the SMAF, shown in Table 1, have been implemented correctly to the SMAF in Appendix A?</i>		
2	<i>Do you agree that the changes proposed to the SMAF, shown in Table 1 and in Appendix A, should be made?</i>		
3	<i>Do you have any other comments in relation to the proposed changes to the SMAF?</i>		