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6th November 2018

Open letter: ESO call for evidence relating to Grid Code modification GC0068 and BSC modification P297

Dear stakeholders,

Following our open letter of 26th October, we are writing to invite you to submit views on the benefits of some changes approved and due to be implemented under Grid Code (GC0068 - Grid Code New and Revised Unit Data and Instructions) and the Balancing and Settlement Code (P297 - Receipt and Publication of New and Revised Dynamic Data Items).

GC0068 and P297 were raised in 2013 to take advantage of some of the expected functionality of the new Electricity Balancing System (EBS). Although a component of EBS has now been implemented it is not certain when the functionality required to fulfil these two modifications will be delivered. In our open letter we committed to working with stakeholders to understand if there are any benefits to bringing forward elements of the functionality envisaged in GC0068 and P297 ahead of full EBS go-live.

Changes proposed as part of these modifications are described in Appendix 1. At a high level, the changes in GC0068 relate to changes in Dynamic Data sets being received plus Grid Code housekeeping changes. P297 relates to the use of those revised Dynamic Data items introduced under GC0068, plus another data item amended previously. The specific Dynamic Data elements in question are as follows:

1. **Profiled Balancing Mechanism Unit (BMU) Stable Import and Stable Export Limits (SEL and SIL).** Under the changes proposed SEL and SIL would be time-varying MW profiles rather than being submitted as single static MW values.

2. **Run-Up Rates (Import and Export) and Run-Down Rates (Import and Export).** The changes proposed would allow for a greater number of BMU ramp rates and a change in data resolution to 0.02MW per min

3. **Last Time to Cancel Synchronisation (LTCS)**. This currently exists within the Grid Code but is not passed to Elexon as part of the Dynamic Data set for publication on BMRS.

We have conducted a review of previous consultation responses in this area to understand the original benefits case for these proposals, a summary of which can be found in Appendix 2. Most of the benefits identified were around potentially better modelling of CCGTs, however these benefits were not defined in terms of quantified value to the end consumer. There has also been a great deal of change in the energy market since 2013 when these changes were originally proposed. To ensure that these factors are considered appropriately, we have committed to undertaking a broader Cost Benefit Analysis (CBA) which will be published in December 2018 (full timeline in Appendix 3).

To feed into this CBA we would like to better understand stakeholder views regarding the benefits of these changes. We therefore would like to invite your views on the following questions to help inform our analysis, to be submitted to balancingservices@nationalgrid.com by **5pm, Friday 19th November.**

Call for Evidence Questions relating to GC0068 and P297:

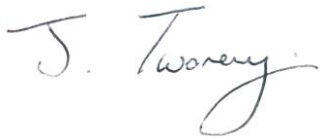
1. **Do you believe there are benefits to creating time-varying MW profiles for SEL and SIL? If so what might these be? Are there benefits in publishing these on BMRS? Is this a low, medium or high priority?**

2. **Do you believe there are benefits to allowing a greater number of BMU ramp rates and a change in data resolution to 0.2MW? If so, what might these be? Are there benefits in publishing these on BMRS? Is this a low, medium or high priority?**

3. **Do you believe there are benefits in introducing data flows for Last Time to Cancel Synchronisation for publication on the BMRS? If so, what might these be? Is this a low, medium or high priority?**

Alternatively, we would be happy to arrange feedback sessions with any participant who would prefer to discuss this. Please contact Jon Wisdom (jon.wisdom@nationalgrid.com) in the first instance.

Yours faithfully,



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Appendix 1 – Further detail on functionality

GC0068

Below is a summary of changes outlined under GC0068 which comprise the Dynamic Data functionality changes outlined in the letter alongside the Grid Code housekeeping changes.

Dynamic Data set functionality changes

SIL/SEL

The Stable Import Limit (SIL) and Stable Export Limit (SEL) are currently both submitted as single static MW values. GC0068 allows time varying profiles to be submitted.

In the Grid Code under BC2.5.3.1, it is stated that a submission of Dynamic Parameters from a BM Participant will take effect from time of receipt by National Grid. This statement was valid whilst the Dynamic Parameters consisted only of static point values. However, it would no longer apply to SEL and SIL when submissions are of time-varying profiles. GC0068 also removes this statement and replaces it with similar statements within the introductions to Dynamic Parameters in BC2.A.X.2 and BC2.A.X.3, explicitly indicating the SEL and SIL as exceptions in the case of new EBS interfaces.

Run-Up Rates (Import and Export) and Run-Down Rate (Import and Export) Currently up to three Run-Up / Run-Down rates can be submitted at a minimum granularity of 0.2MW/min. GC0068 allows up to ten Run-Up / Run-Down rates can be submitted to an accuracy of 0.02MW/min.

Housekeeping changes

Notification to Deviate from Zero

Currently the Grid Code provides no information on the arrangements that should apply when a BM Unit is deviating from zero following being bid off. Since the introduction of NETA in 2001, custom and practice has been established to achieve this, but it is undocumented in the Grid Code. Under GC0068 a new section in BC2 is added, BC2.5.2.6, to detail the arrangements for the deviation of a BM Unit from zero that has been operating at zero as a result of Bid-Offer Acceptances. This clarification is for reference in the case of dispute and for the benefit of new entrants.

Removal of Day Ahead Dynamic Parameters

GC0068 removes Day Ahead Dynamic Parameters, BC1.4.2(e), from the Grid Code Day Ahead Dynamic Parameters are no longer used by the ESO and their submission potentially represents an overhead to market participants. Note that the Dynamic Parameters used in the current Operational Day are those submitted in accordance with BC2.5.3.1.

Transfer of Day Ahead Dynamic Parameters Grid Code Sections

As the main use of Dynamic Parameters is post gate closure, particularly with the removal of Day Ahead Dynamic Parameters from the Grid Code, GC0068 transfers the Dynamic Parameter details from BC1 (Appendix 1.5) to the Appendix of BC2.

Revision of Tap Change description

GC0068 revises the description of **Tap Changes**, to include details from the Operational Guidance Note for Simultaneous Tap Changes. Also, the definition of **Simultaneous Tap Change** is updated to reflect the arrangements for Simultaneous Tap Change instructions that are detailed in the Grid Code associated document.

EDL/EDT*

Automatic Logging Device and Electronic Data Communication Facilities are both used in the Grid Code but currently as undefined terms. GC0068 introduces definitions for these generic terms, and two further interface-specific definitions each indicated by a suffix to the term.

'Automatic Logging Device (EDL)' is used to represent the existing interface for issuing instructions and **'Electronic Data Communication Facilities (EDL & EDT)'** are used for the existing interfaces for submitting data.

'Automatic Logging Device (EDL*)' is used to represent a new interface for issuing instructions and **'Electronic Data Communication Facilities (EDT*)'** for a new interface for submitting data.

The introduction of these terms is to facilitate a five year transition period following the adoption of new systems. GC0068 does not detail what the new EDL* and EDT* are, but does allow for Changes to Dynamic Parameter Attributes.

To facilitate the transition period, parallel sections detailing the attributes of certain Dynamic Parameters, depending on whether the existing interface (EDL) or the new interface (EDT*) is being used, are added to the Grid Code.

P297

Under P297 the following data sets would be passed from the ESO to Elexon for publication on the Balancing Mechanism Reporting Service (BMRS).

NEW Data Item: Last Time to Cancel Synchronisation (LTCS).

This is currently live in the Grid Code but not in the BSC.

Revised Data Item: Run-Up Rates (Import and Export) and Run-Down Rate (Import and Export)

This would pass through any data received under GC0068 ramp rate changes.

Revised Data Items: Stable Export Limits and Stable Import Limits

This would pass through any data received under GC0068 SEL/SIL changes.

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Appendix 2 – original benefits identified

Consultation	Summary of benefits identified
2010 EBS consultation 2010 (included as talks about data changes ahead of mods)	• Consumer benefit not specifically mentioned • Most of the perceived benefits of the changes are around better modelling of CCGTs however benefits not quantified
GC0068 consultations 2013-14	• Enhancements to datasets increase the potential for NG to model BMUs and enable more efficient despatch however this was not quantified. • Better modelling of CCGTs with SIL and SEL changes and increased ramp rate variation capability reduces parties imbalance exposure and facilitates competition however these weren't quantified. • For the reasons above, of 5 consultation responses, all 5 agreed that the modification was positive against Grid Code objectives (i) to permit the development, maintenance and operation of an efficient, co-ordinated and economical system for the transmission of electricity, (ii) to facilitate competition in the generation and supply of electricity and (iii) 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. • One consultation respondent was unsure of the benefits of granularity moving from 0.2 to 0.02MW/min given the amount of time taken to ramp at this speed.
P297 consultations 2013-14	• Over and above benefits already mentioned as part of GC0068 in terms of better despatch decisions, respondents identified benefits to competition and efficiency as a result of increased information to the market. • to both Assessment Consultations unanimously agreed with the Workgroup's unanimous view that P297 would better facilitate Applicable BSC Objective C (promoting effective competition in the generation and supply of electricity) and a minority view that P297 would better facilitate Applicable BSC Objectives B (the efficient, economic and co-ordinated operation of the national electricity transmission system) and D (promoting efficiency in the implementation and administration of the balancing and settlement arrangements). • A minority of respondents also agreed with the Workgroup's minority view that P297 would have a slight detrimental impact against Applicable BSC Objective D as there would be a cost for industry to implement.

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Appendix 3 - Timeline of deliverables for CBA

Milestone	Date
Update Grid Code Panel on P297 discussions and potential GC0068 impacts	17th October (completed)
Open letter to stakeholders to set out the CBA process	w/c 22nd October
Targeted engagement with key stakeholders including Independent Generators Group, Flexible Generators Group, other identified interested parties	22nd October – 2nd November
Wider consultation with stakeholders on potential areas of benefit	5th – 19th November
Update on progress at BSC & Grid Code Panels – present initial feedback from evidence gathering	8th & 22nd November
Publication of CBA	w/c 17th December
Update on results of CBA at BSC & Grid Code Panels	13th & 19th December
New modifications submitted if appropriate	January 2019