

National Grid ESO
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5th May 2020

Energy UK response to GC0143: Last resort disconnection of Embedded Generation

Attn: Grid Code

Sent by email to: grid.code@nationalgrideso.com

I am writing in response to your consultation on Energy UK response to GC0143: Last resort disconnection of Embedded Generation.

Energy UK is the trade association for the energy industry with over 100 members spanning every aspect of the energy sector – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership. We represent the diverse nature of the UK's energy industry with our members delivering almost all (90%) of both the UK's power generation and energy supply for over 27 million UK homes as well as businesses.

In its implementation of GC0143 'Last resort disconnection of Embedded Generation', the Electricity System Operator (ESO) must commit to the use of all commercial agreements and markets available to it to manage the system prior to the utilisation of the last resort powers outlined within GC0143 in order to mitigate its use. To provide confidence in this, complete transparency must be employed if these arrangements are used. Although this transparency has been sought through several code modifications, it is unclear whether this is necessary, and we would encourage the ESO to do this, where possible, in the absence of code modifications.

The ESO must commit to full transparency of the actions that it would intend to use prior to the utilisation of GC0143 provisions. A hierarchy of products that it would seek to use first would be appreciated by all participants in the market. Further, if such provisions were ever to be utilised, then the ESO should produce a full report, outlining the events that led to the enacting of GC0143 provisions, the commercial agreements and markets that it utilised prior to this last resort (in consideration of commercial confidentiality). If a relevant agreement or product was not utilised, the ESO should provide a full explanation of why it was deemed unsuitable.

We strongly encourage the ESO to immediately commit to ahead of time market signals and information on dispatch and reinstatement of the generation interrupted. A notice on a public website, such as BM Reports, must be used in order to inform market participants that could amend their bids, implicitly creating a competitive system for reducing generation for settlement periods. We note that CG0109¹ which is currently in consideration with the Grid Code Review Panel. We would encourage that this is progressed urgently to provide the confidence that such notices and signals will be made in a timely manner. We also note, that in Ofgem's original decision on GC0109 urgency in 2018², it stated:

¹ GC109: The open, transparent, non-discriminatory and timely publication of the various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s). [Available here.](#)

² Ofgem GC109 'The open, transparent, non-discriminatory and timely publication of the various GB electricity Warnings or Notices or Alerts or Declarations or Instructions or Directions etc., issued by or to the Network Operator(s)' – decision on urgency. [Available here.](#)

“We note stakeholder feedback that issues related to GC109 were raised informally with the ESO some time ago. We also note that a number of stakeholders believe that they are important issues that could be addressed relatively easily. We think the ESO should consider whether it could be proactively taking steps to better understand and address these points and/or whether this change needed to be raised by an industry party through a Grid Code modification.

We believe the ESO should explore whether there are ways to increase transparency around system warnings as soon as possible, potentially outside of the industry codes process if appropriate.”

Furthermore, the E3C and Ofgem reports into the power cut last summer called for the ESO to communicate more clearly with the market. This needs to be around instructions to all market parties, including the DNOs.

The progression of GC0133³ would significantly improve a market-participants understanding of the system state at any given time. Using this information, a party can react to the prevailing system needs, altering bids and/or offers to the ESO. This will give the ESO a greater understanding of what options are available to it to manage the system in difficult circumstances, but this is only available to it, if the market participants have the information that is requisite to such a decision being made.

It is important to understand that this transparency, market signals and information will be a key enabler to having an appropriate market, reflective of system needs presented to the ESO. Facilitating this must be an urgent priority for the ESO.

Energy UK would encourage the ESO to raise a follow-up modification which looks in more detail at an enduring solution as soon as practicable (preferably at the next Grid Code Review Panel). Further, Energy UK is concerned that some smaller parties who are not parties to the Grid Code are unaware of this modification. We encourage the ESO to make every effort to distribute information regarding GC0143, and all future changes affecting these parties.

Finally, we encourage the ESO to consider wider impacts of enacting such provisions as outlined in GC0143. Impacts may include forcing certain parties to exceed their environmental permitting by requiring burning of fuels in the absence of generation. Further, in the absence of remuneration for certain parties being disconnected from the electricity system, this would impact on revenues of individuals that offer services to the ESO in the interest of managing the system.

If you would like to discuss this letter in more detail, please feel free to contact me.

Kind regards

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³ GC0133: Timely informing of the GB NETS System State condition. [Available here](#).