

ELEXON

11 May 2021

By e-mail to: ESOperformance@ofgem.gov.uk

Alastair Owen
OFGEM
Canary Wharf
10 S Colonnade,
London
E14 4PU

Dear Alastair,

Consultation on licence amendments to facilitate introduction of an Electricity Restoration Standard

Thank you for the opportunity to provide/share our views with regards to the proposed amendments to the Electricity Service Operator's (ESO) licence conditions that will facilitate the introduction of an Electricity System Restoration Standard.

As you are aware, Elexon is the Code Manager for the Balancing and Settlement Code (BSC). We are responsible for managing and delivering the end-to-end services set out in the BSC and accompanying systems that support the BSC. This includes responsibility for the delivery of balancing and imbalance settlement and the provision of assurance services to the BSC Panel and BSC Parties. We manage not just the assessment, but also the development, implementation and operation of changes to central systems and processes.

In addition, through our subsidiary, EMR Settlement Ltd, we act as settlement agent to the Low Carbon Contracts Company (LCCC) and the Electricity Settlements Company (ESC), calculating, collecting and distributing payments to Contract for Difference (CfD) generators and Capacity Market (CM) providers. EMR services are provided to the LCCC/ESC through a contract and on a non-for-profit basis.

We have set out our points in respect of the consultation below for you to consider. If you would like to discuss any areas of our views, please contact Derek Weaving, Market Architect by email at Derek.Weaving@elexon.co.uk.

Yours sincerely,

Angela Love
Director of Future Markets and Engagement

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Elxon have reviewed the six consultation questions and are neutral on all bar one:

Question 5: Does replacing the term “black start” with “Electricity System Restoration” in the licence conditions have any implications for industry codes or other GB governance documentation?
Please explain

Response

On reviewing the Balancing & Settlement Code (BSC), Black Start is a defined term per BSC Section G 3.1.1. The BSC definition of Black Start relies upon the meaning referenced in the Grid Code. Should there be a material amendment to the Grid Code definition because the Licence Condition is updated, a consequential change to the BSC code will be required to reflect the introduction of the “Electricity System Restoration Standard” via the Modification process.

While such a change to a definition is likely to be inconsequential, we consider that it would be appropriate and prudent to formally review the associated paragraphs in BSC Section G as part of the consequential change which means that further changes may be required once a formal decision is made by the Authority.