

Email to: ESOperformance@ofgem.gov.uk

14th May 2021

Dear Alastair,

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

We welcome the opportunity to respond to Ofgem's consultation on the ESO licence amendments to facilitate the introduction an Electricity System Restoration Standard.

EDF is the UK's largest producer of low carbon electricity. We operate low carbon nuclear power stations and are building the first of a new generation of nuclear plants. We also have a large and growing portfolio of renewable generation, including onshore and offshore wind, as well as coal and gas stations and energy storage. We have around five million electricity and gas customer accounts, including residential and business users. EDF is committed to building a smarter energy future that will support delivery of net zero carbon emissions, including through digital innovations and new customer offerings that encourage the transition to low carbon electric transport and heating.

EDF has been part of the E3C Restoration task group where this restoration standard and assurance framework was developed and we welcome its implementation. While a complete failure of the National Transmission System (NETS) has never happened it is right that the ESO has a clear obligation to restore the system in a timeframe that balances the socio-economic impact of an ESR event and the estimated service costs given the potential level of disruption and costs to households and businesses.

We don't have any specific comments on the licence drafting and welcome Ofgem's approach to further align the regulatory framework for procurement of restoration services with that of balancing services.

However we do note Ofgem's comment (in para 3.5) that in the delivery of this standard, generators that do not hold a contract to provide restoration services will bear the costs of maintaining the level of resilience and restoration capability required by the GB codes and standards.

While this is not a matter for this consultation, this statement does raise concern. We accept that there needs to be a minimum standard of resilience at any site to ensure the integrity and efficiency of the whole restoration process, but that does not mean that generators should face unfunded and, as yet, unknown investment requirements. Through this process we have submitted data to explain the need for potentially extensive asset investment such as bigger back-up fuel tanks. It is important that all generators contributing are not commercially disadvantaged by these reforms and this will be an important principle as the detail is developed by the ESO and the code changes consulted on.

It is also important that plant can actually comply with any new code obligations the ESO raises in discharging this new Licence obligation. For example, while nuclear power stations are some of the most resilient stations on the system with tried and frequently tested back-up assets and plans, they are regulated by stringent rules and obligations by the Office for Nuclear Regulation and thus may not be able to comply with new obligations that require plant investment or alterations that do not align with these safety rules.

We hope you find our response and points useful and they are not confidential however should you wish to discuss any of the issues raised in our response or have any queries, please contact John Costa on 020 89352793.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Cox', with a stylized flourish at the end.

Mark Cox
Head of Nuclear Policy and Wholesale Market Policy and Regulation