

14<sup>th</sup> May 2021

**National Grid ESO response to Consultation on licence amendments to facilitate the introduction of an Electricity System Restoration Standard**

**Dear Alastair,**

We welcome the opportunity to respond to your consultation on licence amendments to facilitate the introduction of an Electricity System Restoration Standard (ESRS).

National Grid ESO is the Electricity System Operator for Great Britain. We move electricity around the country second by second to ensure that the right amount of electricity is where it's needed, when it's needed – always keeping supply and demand in perfect balance. As Great Britain transitions towards a low-carbon future, our mission is to enable the sustainable transformation of the energy system and ensure the delivery of reliable, affordable energy for all consumers. We use our unique perspective and independent position to facilitate market-based solutions which deliver value for consumers.

We value the considerable work and stakeholder engagement of the Black Start Task Group in recent months and believe a successful path to zero carbon necessitates changes to our existing Electricity System Restoration preparation arrangements. In particular, investments in services, new technologies, operational tools and methods will be required to accommodate the transition efficiently.

We believe the benefit in establishing a National Restoration Standard to manage future risks whilst preserving value and cost effectiveness for all customers is considerable. This proposal is consistent with our published aspirations in our role as GB System Operator and we welcome this initiative.

Our detailed response is appended to this letter, and our key messages set out below:

- We are concerned that the proposed drafting will place obligations on the ESO for factors beyond the remit of our control. This poses a significant risk that the ESO will be held accountable for situations where:
  - the capability needed to meet the ESRS isn't available (for example, where there is insufficient generation in a given Restoration Zone), or
  - stakeholders underperform against their obligations (for example, where there is inadequate investment in part of the network).

We note that these potential scenarios could also lead to significant costs across the industry in establishing the required capability for the provision of Restoration services. While we recognise the importance of the ESO leading the establishment of the System Needs and facilitating the development of the procurement mechanisms that will drive the implementation of the ESRS, we believe the accountabilities need to be clearly defined. As such, we would like to see further clarity on how responsibilities and obligations across the Industry will be managed to comply with the licence.

- We are concerned that the effective replacement of the Procurement Guidelines report and the Balancing Principles Statement (BPS) report with the Annual report will significantly impact the delivery of these licence obligations. The ESO would be required to assign a significant amount of additional internal and external resource to ensure both these reports are produced in the same time period. These reports also require distinctively different audits, which cannot be merged together. We believe that it will not be practically possible to deliver these reports within the same timeframe to meet the proposed obligations. Therefore, we request further consideration of the proposed text, regarding this fundamental change to StC C16.

We welcome the opportunity to further discuss the points raised in this response and recommend setting up a meeting to facilitate this. Should you require further information please contact Vitor Soares in the first instance at [Vitor.Soares@nationalgrideso.com](mailto:Vitor.Soares@nationalgrideso.com).

Yours sincerely

Isabelle Haigh

Head of National Control, Electricity System Operator