

Modification proposal:	<b>Distribution Code DCRP/MP/22/02: Electricity System Restoration Standard – and Distributed Restart</b>		
Decision:	The Authority <sup>1</sup> has decided to approve <sup>2</sup> this modification		
Target audience:	Distribution licensees, Distribution Code Review Panel, distribution network users and other interested parties		
Date of publication:	5 February 2024	Implementation date:	Twenty working days after Authority decision

## Background

On 1 April 2021, the Department for Business, Energy and Industrial Strategy, now the Department of Energy Security and Net Zero, released a policy statement introducing the Electricity System Restoration Standard (ESRS).<sup>3</sup> The ESRS requires the System Operator to be capable of regional restoration, restoring 60% of Demand on the Transmission System in all regions within 24 hours, and 100% within 5 days, and its requirements must be met by 31 December 2026. It also sets out that the ESRS requirements must be met by 31 December 2026. In August 2021, we issued our decision on licence modifications to facilitate the ESRS.<sup>4</sup>

DESNZ introduced the ESRS as Great Britain's (GB) dependence on electricity is vast, therefore if electricity supply is lost it will severely impact national infrastructure networks,

<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

<sup>3</sup> <https://www.gov.uk/government/publications/introducing-a-new-electricity-system-restoration-standard/introducing-a-new-electricity-system-restoration-standard-policy-statement>

<sup>4</sup> <https://www.ofgem.gov.uk/publications/decision-licence-modifications-facilitate-introduction-electricity-system-restoration-standard>

public services and economic activities. The DESNZ policy statement<sup>5</sup> noted that a nationwide electricity failure has never occurred in GB, however similar scale events have occurred internationally, thus highlighting that whilst unlikely there is a credible risk for our energy network. As a result, DESNZ noted that we must adequately prepare for the worst-case scenario and as such introduced the ESRS.

The traditional approach to system restoration is top-down, with transmission connected synchronous power stations energising sections of the transmission system. Traditional synchronous plant capable of energising networks without external site supplies are reducing in numbers driving the need to draw on the capabilities of other generation plant, including distribution connected plant. In part, this modification proposal introduces a bottom-up system restoration approach, building on the developments of the Network Innovation Competition Distributed ReStart project.<sup>6</sup> Distributed ReStart explored how distributed energy resources, generators connected to the Distribution Networks, can be used to restore power to the Transmission Network, introducing the concept of a Distribution Zone Restoration Plan (DZRP). DZRPs are similar to the existing top-down restoration approach implemented via Local Joint Restoration Plans (LJRPs). They involve Distribution Network Operators (DNOs) using distribution connected Restoration Contractor plant to energise sections of their Network as defined within the DZRP, under the instruction of the System Operator. It is envisioned that DZRPs would run in parallel to LJRPs to facilitate system restoration as fast as possible.

## **The modification proposal**

DCRP/MP/22/02 (the Proposal) is proposed by Distribution Network Licensees. It was developed in the GC0156 joint Grid Code / Distribution Code working group, which convened sixteen times from its inception in April 2022 to develop the proposed solutions and ensure harmonized Distribution Code and Grid Code legal text.

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<sup>5</sup> <https://www.gov.uk/government/publications/introducing-a-new-electricity-system-restoration-standard/introducing-a-new-electricity-system-restoration-standard-policy-statement>

<sup>6</sup> <https://www.nationalgrideso.com/future-energy/projects/distributed-restart>

DCRP/MP/22/02 proposes the addition of several Distribution Code definitions associated with system restoration and the replacement of all references to 'Black Start' with 'electricity system restoration' to align the terminology to the ESRS policy statement. It also proposes amendments to relevant sections of the Distribution Code to introduce the concept of DZRPs, and Engineering Recommendations G59 and G99 to allow for capable Generators to participate in a DZRP. It does not cover the commercial and contractual aspects of DZRPs, rather, it codifies the high level requirements to enable Distribution ReStart, including the development, review and implementation of DZRPs. These requirements largely mirror the applicable Grid Code requirements as proposed by GC0156, with minor differences reflecting the capability of the Networks and Plant comprising a DZRP as informed by Distribution ReStart.

### **Distribution Code Review Panel (DCRP)<sup>7</sup> comments and licensee recommendation**

A Distribution Code Review Panel (DCRP) workgroup consultation was aligned to a corresponding Grid Code Review Panel (GCRP) workgroup consultation on GC0156, and ran 12 December 2022 to 13 January 2023, receiving two responses with a significant number of comments. The Proposal was updated to address the comments received and align with changes made to the proposed Grid Code legal text.

As part of the DCRP Panel review a public consultation, aligned to corresponding GC0156 Code Administration Consultation, ran from 15 May 2023 to 16 June 2023, receiving two responses. Both responses were supportive of the Proposal, and minor updates were made to reflect recommendations received.

The Proposal and consultation responses were discussed at the DCRP meeting on 3 August 2023, where DNOs and the DCRP agreed to recommend that the Proposal be submitted to the Authority for approval. The DCRP consider that Distribution Code objectives (a)<sup>8</sup> and (b)<sup>9</sup> are

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<sup>7</sup> The DCRP is established in accordance with SLC 21 of the Electricity Distribution Licence.

<sup>8</sup> Distribution Code objective (a) permit the development, maintenance, and operation of an efficient, co-ordinated, and economical system for the distribution of electricity

<sup>9</sup> Distribution Code objective (b) facilitate competition in the generation and supply of electricity

better facilitated by the Proposal, and that it has a neutral impact on objectives (c)<sup>10</sup> and (d)<sup>11</sup>.

## Our decision

We have considered the issues raised by the Proposal and in the Final Report dated 22 August 2023. We have considered and taken into account the responses to the consultation(s) on the Proposal which are included in the Final Report.<sup>12</sup> We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the Distribution Code;<sup>13</sup> and
- approving the modification is consistent with our principal objective and statutory duties.<sup>14</sup>

## Reasons for our decision

We consider this modification proposal will better facilitate Distribution Code objectives (a), (b) and (c), and has a neutral impact on the other applicable objectives.

### ***(a) permit the development, maintenance, and operation of an efficient, co-ordinated, and economical system for the distribution of electricity***

We consider that planning for system restoration contributes to the development of a co-ordinated Distribution System and is therefore related to this objective. The Proposal sets out

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<sup>10</sup> Distribution Code objective (c) efficiently discharge the obligations imposed upon distribution licensees by the distribution licences and comply with the Regulation and any relevant legally binding decision of the European Commission and/or the Agency for the Co-operation of Energy Regulators

<sup>11</sup> Distribution Code objective (d) promote efficiency in the implementation and administration of the Distribution Code

<sup>12</sup> Distribution Code proposals, final reports and representations can be viewed at: <http://www.dcode.org.uk/areas-of-work/> and <http://www.dcode.org.uk/consultations/>

<sup>13</sup> As set out in Standard Condition SLC 21.4 of the Electricity Distribution Licence available at: [Licences and licence conditions | Ofgem](#)

<sup>14</sup> The Authority's statutory duties are wider than matters which the Panel and licensees must take into consideration and are largely provided for in statute, principally in this case the Electricity Act 1989.

the high level requirements to enable Distribution ReStart, including the development of a DZRP, in coordination with the relevant Transmission Licensee, where a DNO and the ESO agree that introducing a DZRP may be beneficial. We consider that by introducing the concept of DZRPs to aid in a system restoration event, the Proposal has a positive impact on this code objective.

***(b) facilitate competition in the generation and supply of electricity***

The Proposal allows distribution connected plant to participate in system restoration, where a DNO and the ESO agree that there is merit in doing so. We consider that this will have a positive impact on competition for restoration services via the restoration tender process, and therefore consider this Proposal to have a positive impact on this objective.

***(c) efficiently discharge the obligations imposed upon distribution licensees by the distribution licences and comply with the Regulation<sup>15</sup> and any relevant legally binding decision of the European Commission and/or the Agency for the Co-operation of Energy Regulators***

We note that the DCRP consider the Proposal to have a neutral impact on this code objective.

DNOs roles and responsibilities with respect to system restoration, including DZRPs are provided for in the Grid Code (as modified via GC0156). DNOs have a licence obligation to comply with the Grid Code. We consider that, in light of our decision to approve GC0156, by providing the high level requirements to enable DZRPs, the Proposal supports DNOs in meeting their Grid Code licence obligations, and therefore has a positive impact on this code objective.

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<sup>15</sup> 'Regulation' here refers to REGULATION (EU) 2019/943 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 June 2019 on the internal market for electricity; <https://www.legislation.gov.uk/eur/2019/943>

***Decision notice***

In accordance with SLC 21.11 of the Electricity Distribution Licence, the Authority hereby directs that the modification to the Distribution Code set out in the Final Report to the Authority of 22 August 2023 be made.

**Gurpal Singh**

**Principal Engineer and Professions Lead**

Signed on behalf of the Authority and authorised for that purpose