



Response by Northern Powergrid (Northeast) plc and Northern Powergrid (Yorkshire) plc to the statutory consultation on the proposed modifications to industry codes to implement the Independent System Operator and Planner (“ISOP”) that are related to national security.

KEY POINTS

- The form of licence condition B4 (Compliance with directions related to national security) appears to be appropriate.
- The Department should consider the inclusion of a provision in the relevant codes regarding the incurrence of exceptional costs as a result of a national security direction when it becomes clear that there is a risk that “bystanders” may be exposed to such costs.
- We have set out some minor drafting-related comments as part of this response.

Comments on the proposed modifications to industry codes to implement the ISOP that are related to national security.

Q1 Do you have any views on the representation of licence condition B4 (Compliance with directions related to national security) in the Codes?

No. The form of licence condition B4 (Compliance with directions related to national security) appears to reflect the intent of the scenario in which the Secretary of State may direct the NESO to take, or not take, certain actions where there is a risk relating to national security and to have been adapted appropriately in each of the electricity-related codes. However, please see our comment below regarding reference to the role of Gas System Planner in the electricity-related codes.

Q2 Can you give examples where exceptional cost would be incurred by a “bystander” party (wholly unrelated to the subject of direction), which would not have been incurred but for a direction given by the Secretary of State to NESO?

We note that the Department was not able to identify any credible scenarios in which “bystanders” would incur exceptional costs as a result of a national security direction being issued to NESO by the Secretary of State. Consequently, given that it is somewhat difficult to foresee the impact of such scenarios at this point in time and so give examples, we would agree that the Department should consider the inclusion of such a provision in the relevant codes when it becomes clear that there is a risk that “bystanders” may be exposed to exceptional costs as a result of the national security direction power being used.

Q3 Do you have any other views or comments relating to the proposed modifications to the Codes relating to National Security?

We have the following minor drafting-related comments:

| Reference | Comment |
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| General | It is not clear to us as to why it is necessary to include reference to the role of Gas System Planner in the electricity codes. In any event, “GSP” generally means “Grid Supply Point” so, if this reference remains in these codes, it should be to “Gas System Planner (“GSP”)” in order to avoid confusion. |
| Distribution Connection and Use of System Agreement, 60.19 and 60.20 | De-capitalise “The” before “OTSO” in the second line of 60.19 and in the third line of 6.20 for consistency. |

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| Distribution Connection and Use of System Agreement, 60.22 | If the reference to the Gas System Planner remains, change “The Company’s” to “the OTSO Party’s”, although that may not be appropriate in any event, given that the “OTSO Party” is defined as being “the Independent System Operator and Planner in its capacity as the operator of Offshore Transmission Systems”, which does not involve the role of Gas System Planner. |
| Connection and Use of System Code, 6.38.8 | Change “had been” to “are”. |