

Decision to Approve GC0164: Simplification of Operating Code No.2 (GC0164)

Decision: The Authority¹ directs² that the proposed modification to the Grid Code be made

Target audience: National Energy System Operator (NESO), the Grid Code Review Panel, Grid Code users and other interested parties

Date of publication: 25 June 2026

Implementation date: 9 July 2026

Background

Over time, the Grid Code has become complex in its structure and drafting, making it difficult for users to clearly identify their obligations and interpret the requirements. The Digitalised Whole System Technical Code project (dWSTC) was set up to create an accessible and agile code system which is easier for both new and established market participants to access, understand and navigate than the current codes.³ Operating Code No.2 (OC2) of the Grid Code was selected as an initial focus of the Alignment, Simplification and Rationalisation Workstream of the dWSTC as it is both somewhat outdated and not among the most frequently utilised sections of the Grid Code. Grid Code modification GC0164 builds on the improvements proposed by this workstream, and seeks to address deficiencies in accessibility, readability and internal consistency of OC2.

¹ 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.

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

³ [Digitalised Whole System Technical Code | National Energy System Operator](#)

Operating Code No.2 (OC2) of the Grid Code sets out requirements relating to outage coordination and operational planning.

The modification proposal

The NESO raised Grid Code Modification Proposal GC0164 on 12 October 2023. The proposal seeks to simplify and rationalise the drafting of Grid Code OC2. The changes are primarily editorial in nature and are intended to improve usability of the Grid Code without introducing material changes to existing obligations.

To ensure alignment throughout the Grid Code and address other minor issues identified elsewhere, primarily typographical and consistency issues, changes are also proposed in other parts of the Grid Code. Namely: Grid Code Glossary & Definitions, European Compliance Process, Operating Code 5, Operating Code 7, Balancing Code 1, Balancing Code 2, General Conditions, Data Registration Code and Planning Code.

A workgroup consultation was held 7 June 2024 to 8 July 2024, followed by a Code Administrator Consultation 2 December 2024 to 16 January 2025.

The proposer considers that the proposal better facilitates Applicable Grid Code Objectives, (ii), (iii), (iv) and (v), through improved clarity, accessibility and transparency of obligations for users.⁴

Grid Code Review Panel recommendation

The first Draft Final Modification Report was submitted to the February 2025 Grid Code Review Panel for recommendation. The Panel considered the substantive changes in the legal text and agreed these should be reconsidered by the Workgroup, followed by a second Code Administrator Consultation.

⁴ The Grid Code Objectives can be found in Section E3.2 of the [Electricity System Operator Licence](#)

The workgroup reconvened three times to reconsider the legal text changes, with a number of typographical and substantive issues addressed. A Second Code Administrator Consultation was submitted to the Grid Code Review Panel on 25 September 2025 for their review and publication approval. Panel members again raised issue with the proposal, including interactions with other ongoing modifications. It was agreed to delay the second Code Administrator Consultation until Ofgem decisions on interacting modifications were made.^{5 6} The workgroup reconvened to address Panel members concerns with the modification. Subsequently, the Panel agreed to proceed to second Code Administrator Consultation at the 26 February 2026 Grid Code Review Panel meeting. This consultation ran from 27 February to 27 March receiving one response in support of the proposed modification.

At the 23 April 2026 Grid Code Review Panel meeting, the Panel unanimously voted that the proposal better facilitates the Applicable Grid Code Objectives than the existing baseline. All eight Panel members considered the proposal to better facilitate Grid Code objective (v), one member considered the proposal better facilitates Grid Code objective (i) and (iii), and two members considered the proposal better facilitated Grid Code objective (ii). All eight members considered the proposal has neutral impact on all other Grid Code objectives.

Our decision

We have considered the issues raised by the modification proposal and in the Final Modification Report dated 5 May 2026. We have considered and taken account of the responses to the industry consultation on the modification proposal which are included in the Final Modification Report.⁷ We have concluded that:

⁵ [GC0174 Grid Code \(GC\) changes | Ofgem](#)

⁶ [Grid Code GC0183: Generator and Interconnector Availability During a Severe Space Weather Event | Ofgem](#)

⁷ Grid Code proposals, final reports and representations can be viewed on NESO's website at: [Grid Code Modifications](#)

- implementation of the modification proposal will better facilitate the achievement of Applicable Code Objective (v) of the Grid Code, and will have neutral impact on all other objectives⁸
- approving the modification is consistent with our principal objective and statutory duties⁹

Reasons for our decision

We consider this modification proposal will better facilitate Applicable Code Objective (v) and has a neutral impact on the other applicable objectives.

(v) to promote efficiency in the implementation and administration of the Grid Code arrangements

We consider that the proposal delivers clear benefits in terms of administrative efficiency. By removing duplication, rationalising structure, and improving readability and consistency, the proposal reduces the burden on users in navigating and implementing the Grid Code. We therefore consider that the proposal better facilitates this objective.

We note that the proposer and a number of Panel members consider the proposal to also better facilitate Grid Code Objectives (i), (ii), (iii) and (iv). We acknowledge that simplification of the code does contribute positively to these objectives, however, as the modification does not alter the existing requirements, we consider the modification to have a neutral impact on these objectives overall.

⁸ As set out in Standard Condition E3 of the Electricity System Operator Licence.

⁹ The Authority's statutory duties are wider than matters which the Grid Code Panel Review must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.

Decision notice

In accordance with Standard Condition E3 of the Electricity System Operator Licence, the Authority hereby directs that Grid Code modification proposal Grid Code GC0164: *'Simplification of Operating Code No.2'* be made.

Shilen Shah

Head of Strategic Planning, Codes and Standards

Signed on behalf of the Authority and authorised for that purpose