



taking care of the essentials

Bridget Morgan
Technical Directorate
Office of Gas and Electricity
Markets
9 Millbank
London
SW1P 3GE

Energy Management Group

Charter Court
50 Windsor Road
Slough
Berkshire SL1 2HA

Tel. (01753) 758156
Fax (01753) 758368
www.centrica.com
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Dear Bridget

Conclusions and consultation on the text of a GB Grid Code and consultation on change co-ordination between STC and user-facing industry codes

Centrica is delighted to take this opportunity to comment on the above named document. This response is not confidential and can be placed in the Ofgem library. Overall, we support the approach taken by Ofgem/DTI regarding the development of BETTA and the proposals for the constitution and operation of a single Grid Code for GB. Notwithstanding this support we would like to raise some concerns, mainly relating to the co-ordination of Grid Code changes with other documents.

We support the rights and obligations under the Grid Code falling on the GB system operator (GBSO), however we have some concern that the other transmission licensees are not going to be required to comply with the GB Grid Code. We recognise that the necessary obligations are going to be met by the requirement for all transmission licensees to be party to the SO-TO Code (STC). But, we believe this reduces the transparency and accountability of the arrangements. It also increases the importance of ensuring the arrangements put in place under the STC are robust and the co-ordination of the change processes are efficient. Furthermore, the existing timescales that are used in Grid Code and CUSC e.g. for the provision of connection offers by the GBSO must not be changed due to the extra layer that is introduced by the STC. To this extent we support the proposal that the GBSO should be required to inform the user of the name of the transmission licensee who will be responsible for the transmission functions set out in the GB Grid Code.

It is right that those parties impacted by changes to any industry code should have an opportunity to comment. We welcome Ofgem/DTI's view that the transmission licensees should still be able to comment on Grid Code changes where appropriate. However, where there is an impact on the STC, it is also important that necessary changes are made expeditiously and there is no opportunity for parties who disagree with the proposal to unduly delay the process. This is particularly the case for transmission licensees with whom the obligation rests to ensure consistency and co-ordination of the STC and user facing codes.

Centrica are pleased that Ofgem/DTI recognise the need for balance on the Grid Code Review Panel (GCRP). As such we are surprised that the GBSO has been allocated four seats, in addition to the allocated seats for Chairman and Secretary. We would also encourage Ofgem/DTI to allocate one of the DNO seats to a specialist in embedded generation issues. This is becoming increasingly important with the development of renewable generation. It would also support of Ofgem's proposals to develop the distribution and transmission networks to accommodate

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renewable generation. We note the arguments presented by Ofgem/DTI against the inclusion of TOs on the GCRP and the assertion that TOs can comment through consultation were changes will impact on the STC. In order for this approach to work it is important that the Grid Code processes are transparent and inclusive.

We note Ofgem/DTI's contention that "Currently cross-code impact assessment and change-co-ordination takes place between each of the BSC and CUSC and 'core industry documents'". We believe that this is over-stating the case. In practice, participants are only able to note any impacts on areas outside the *vires* of the particular code under which they are currently holding discussions. Although it is true that NGC have a licence obligation to "secure any necessary changes to core industry documents to which it is a party", these mechanisms limit effective operation under the codes. Constructive discussions are hampered by the rigorous application of the boundaries of codes and this inevitably means that the best solution will not necessarily be found as the industry is not able to 'see' the entire picture. We urge Ofgem/DTI to give further consideration to the shortcomings of these arrangements. We are concerned that the problems currently encountered will be exacerbated with the introduction of a further code.

The consultation outlines a proposed mechanism for consideration, development and consultation on cross-code matters relating to the Grid Code and STC. We believe there is considerable merit to this approach and would like to see this development extended to encompass other Codes. It is important that there is consistency in approach across the industry codes. Additionally, we believe the ability to consider issues that span industry codes in an encompassing manner would improve the overall efficiency of the process and allow the best solution to be realised. In our view a suitable forum where cross-code issues can be discussed where appropriate would be of great benefit.

We welcome the decision by Ofgem/DTI to require the identification in the GB Grid Code of the user data that is passed from the GBSO to the TOs. Furthermore, we are pleased that Ofgem/DTI are of the view that appropriate confidentiality provisions must be in place, as this will give confidence and protection to the industry.

Whilst we recognise Ofgem/DTI's concerns regarding the application of the Grid Code to small and medium sized generators who wish to connect to the transmission system we would like to see a review of Grid Code at the earliest opportunity. Although we agree that there must be room for regional differences we also believe that the different requirements of various technologies must be considered. Relevant issues are not limited to the burdens of submitting half-hourly physical notifications and the development of the system and its associated commercial regime must be flexible enough to accommodate this. We do not believe that a proliferation of bilateral agreements between users and the GBSO is the most efficient way forward when dealing with Small and Medium generators. At some point, a holistic approach must be taken.

In conclusion, we are broadly in support of the progress that is being made in developing a single GB Grid Code. However, we believe that more detailed work needs to be carried out in relation to the treatment of cross-code change co-ordination and, more importantly, the treatment of directly connected small and medium generators. Although we recognise the latter issue is more a problem for the future than the present and that there is some argument for holding any review post-BETTA, we would strongly urge Ofgem/DTI to start consideration of these issues now.

We trust that these comments have been helpful. Please do not hesitate to contact me should you wish to discuss any issue in more detail.

Yours sincerely

Danielle Lane

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