

## **Response to the Ofgem/DTI Consultation Document: 'GB Grid Code Operating Code 8 (SGC OC6), Operating Code 11 (SGC OC9) and Balancing Codes – An Ofgem /DTI mini-drafting consultation document', 10 February 2004**

### **Introduction**

1. We welcome the opportunity to comment on 'GB Grid Code Operating Code 8 (SGC OC6), Operating Code 11 (SGC OC9) and Balancing Codes – An Ofgem /DTI mini-drafting consultation document', 10 February 2004' (the consultation).
2. This consultation builds on the September 2003 GB Grid Code consultation, adding a further layer of detailed analysis in relation to the technical differences between the existing Grid Codes and also consulting on regional differences that should be incorporated in the GB Grid Code, to be designated under BETTA. This is also the first consultation to include draft text for OC8, Safety Co-ordination and OC11, Numbering and Nomenclature of High Voltage Apparatus at Certain Sites.
3. We understand that it was not intended for the mini-drafting consultation to consider further the issues raised in the September 2003 GB Grid Code consultation, where views have already been invited. Therefore, we have mainly limited our response to the specific technical issues raised in the mini-drafting consultation and to the consideration of proposed regional differences. Although, unlike the other draft Codes, this mini consultation has been our first opportunity to comment meaningfully on the text of OC8 and we have therefore included comments on some broader issues in relation to OC8.
4. As Ofgem/ DTI highlighted in the second GB Grid Code consultation, on behalf of Ofgem/ DTI and under their direction, we prepared the draft legal text for the GB Grid Code. Therefore the legal text does not necessarily represent our own views, and should be read in this context. Clearly, this response has been written independently of Ofgem/ DTI and reflects the views of National Grid.
5. This response follows the structure of the consultation document. In each section we address the issues raised by Ofgem/ DTI and confirm our position in respect of the proposed regional differences we consider material. We have also provided additional comments on particular areas that we believe require further consideration.
6. The overall BETTA contractual framework is still being developed. In particular, we are involved in further areas of work, such as STC drafting, with Ofgem and other Licensees, which may ultimately impact on the drafting of the GB Grid Code. Whilst the views in this response reflect our current position on the OC8 draft text and related issues in the consultation, these views are very much subject to the on-going BETTA consultation process, and, in particular, the STC development related to OC8. Clearly, in the light of any broader BETTA developments, the draft as proposed may need to be revisited.

## **General**

7. All of the views expressed in this response assume that, in the main, the previously proposed definitions in the September GB Grid Code consultation document are adopted. In particular, the definition of Large, Medium and Small Power Stations and that of Genset. These definitions contain regional differences that we continue to believe are required.
8. These are such fundamental assumptions that were they not adopted our comments on the actual drafting, issues and proposed regional differences in this response would be significantly different. Therefore, under such circumstances, we would suggest significant redrafting would be required because of the overwhelming impact on the applicability of the GB Grid Code, logically leading to additional unscheduled consultations.
9. We agree with the approach to considering regional differences, namely that where these are material, and are as a result of such matters as difference in technical standards or technical requirements of the Transmission System to retain such differences as they currently exist. In the case of OC8 this being wider, taking account of the existing safety practices in Scotland
10. We also agree that where the subject matter is related to responsibilities in relation to health and safety matters the Grid Code should make reference to the Relevant Transmission Licensee. In the case of OC8, where the Relevant Transmission Licensee carries out most of the activities in relation to Transmission this is particularly important.
11. In general and considering the points below we are relatively comfortable, at this stage, with the proposed drafting of OC8. Our final acceptance will, of course, be subject to reviewing the 'back off' arrangements in the STC, and the broader contractual and regulatory framework in the round. Without appropriate back off arrangements the System Operator would not be able to ensure that its contractual liabilities can be carried out. Also, that the governance arrangements that apply in relation to the 'back offs' are adequate.
12. Clearly, there are a number of ways the obligations in OC8 can be backed off in the STC. The most obvious are: firstly, a copy of OC8 with the appropriate changes or; secondly, a statement that requires the Relevant Transmission Licensee to carry out the obligations in OC8 for connections in its designated area. We believe that the latter option is simpler for the User 'on the ground' in real time and so appears to be more appropriate, although this is subject to further detailed discussions with Ofgem and other licensees.

## **OC8, Safety Coordination**

13. The new introductory section to OC8, OC8.1.1, as compared to the existing NGC Grid Code, includes a statement describing the role of the Transmission Licensees, in particular the Relevant Transmission Licensees who, it is proposed, are not required to comply with the GB Grid Code. Although we do not disagree with the content of this section, it is drafted in a very different style to the rest of the Grid Code. In Appendix 1 to this response we have suggested some alternative drafting that we believe is more appropriate for the purpose OC8 is intended. Historically, the Grid Code has been a reasonably technical

document, and we do not believe the unqualified use of phrases such as 'third party rights' is appropriate.

14. Throughout this draft of OC8 there are several instances of 'the System Operator or Relevant Transmission Licensee'. In the rest of the draft Grid Code this is generally used with a qualifier e.g. 'the System Operator in England and Wales and the Relevant Transmission Licensee in Scotland'. Unless an additional statement that clarifies its use is added in the introduction then we believe the qualifier should be used in all instances.
15. Ofgem/ DTI have remained with the current structure of the NGC Grid Code, where the Connection Conditions, rather than OC8 itself, deal with the exchange of Safety Rules. We believe this consistent approach is correct.
16. The new text added as OC8.1.6 contains a reference to OC8.1.8 that does not appear to exist. We would also suggest Ofgem consider a slight change in drafting to:

*Such operational procedures shall be deemed to satisfy the requirements of paragraphs ~~[OC.8.1.8, 8.1.8]~~<sup>[?]</sup>, OC.8.2.1, OC.8.4.2, OC.8.9, OC.8.10 and Connection Conditions CC.7.2.*

17. We believe the statement in the scope, that is for information only, which explains the arrangements for establishing safety co-ordination with Externally Interconnected System Operators should be redrafted. At this stage, we would not expect the agreement with SONI to cover safety arrangements with Moyle Interconnector Holdings. Therefore, we would suggest a change such as:

*The procedures for the establishment of safety co-ordination by the **System Operator** ~~with Externally Interconnected System Operators~~ in relation to External Interconnections are set out in **Interconnection Agreements** with ~~each Externally Interconnected System Operator~~ relevant persons for the External Interconnections.*

18. In drafting OC8 reference has been made to Site Responsibility Schedules. These are critical for the safe and secure operation of the transmission system, indeed are likely to become more important under BETTA where additional parties are involved. We understand from the GCEG that the Scottish versions of these are significantly different. We suggest that further work to confirm the BETTA requirements is required. In any event the STC should make provision for exchanging such information.
19. We believe the System Operator, as the party with all the contractual liabilities under OC8, should at least receive copies of, and possibly be required to approve as reasonable, Local Safety Instructions and any other relevant information. OC8.4.1 does not currently provide this to the System Operator.
20. OC8.4.1.2 and OC8.4.1.3 refer to 'either Party' or 'a party'; it is currently unclear if this refers to the System Operator or the Relevant Transmission Licensee. We would suggest the text below should be considered as more appropriate:

OC8.4.1.2 ~~Either party~~ A person specified in OC8.4.1.1 above may require that the **Isolation** and/or **Earthing** provisions in the other ~~party~~ relevant person's **Local Safety Instructions** affecting the **Connection Site** should be made more stringent in order that approval of the other ~~party~~ relevant person's

**Local Safety Instructions** can be given. Provided these requirements are not unreasonable, the other ~~party~~relevant person will make such changes as soon as reasonably practicable. These changes may need to cover the application of **Isolation** and/or **Earthing** at a place remote from the **Connection Site**, depending upon the **System** layout. Approval may not be withheld because the ~~party~~person required to approve reasonably believes the provisions relating to **Isolation** and/or **Earthing** are too stringent.

OC8.4.1.3 If, following approval, a ~~party~~person wishes to change the provisions in its **Local Safety Instructions** relating to **Isolation** and/or **Earthing**, it must inform the other ~~party~~relevant person. If the change is to make the provisions more stringent, then the other ~~party~~relevant person merely has to note the changes. If the change is to make the provisions less stringent, then the other ~~party~~relevant person needs to approve the new provisions and the procedures referred to in OC8.4.1.2 apply.

21. OC8.4.3.2 allows the Relevant Transmission Licensee to use an alternative format of RISSP. The full contractual implications of the Relevant Transmission Licensee using an alternative format need to be assessed, this cannot be done without the related STC drafting. If they are able to use another format, both the Grid Code and the STC need to be clear that they can and where the responsibilities and liabilities for using such alternative rests.
22. OC8.4.3.2, in relation to the Relevant Transmission Licensees using an alternative RISSP format, should contain similar provisions to OC8.4.3.3 a) to c) in order to limit the variation from the RISSP format in the appendix. This should also be covered in the STC.
23. In section 4.25 of the Consultation Paper Ofgem/ DTI refer to allowing a modification of a RISSP to allow testing to take place. The option of 'amending' a RISSP to allow testing has been discussed previously in England and Wales, but was rejected. Our understanding is that the Scottish Grid Code OC6 4.10.3 only allows for alteration of a RISSP under 4.11, but 4.11 does not allow for a RISSP to be altered, but for the testing to be recorded on the safety log. Therefore we do not believe this is an issue.
24. We note that there is no mention of prefixes for Scotland in OC8.4.3.5 and OC8.4.3.6. Our understanding is that the Relevant Transmission Licensees do have a similar unique numbering system. As is the case within England and Wales, we believe that OC8 should make reference to the systems or processes that the Relevant Transmission Licensees, through the System Operator, require Users to adopt. The System Operator should also have access to these as the contractual counterparty to the User.
25. The Consultation Paper requests view on the transfer of control during testing. This has been discussed previously in England and Wales and rejected because of concerns on system control and safety.
26. We believe the obligations (OC8.1.2 and OC8.8) that cover safety coordination when working near to the Transmission System or a Users system represent best practice and therefore should be applied GB wide. We note that this was discussed and agreed as appropriate at the GCEG.
27. We would suggest Ofgem/ DTI consider the slightly revised wording below from OC8.5.1.4 that relates to the defined term:

*In Scotland, the location of the **Safety Precautions** should be indicated on each **User's** operational diagram and labelled ~~as per the local instructions of each~~ in accordance with the Local Safety Instructions of that User.*

28. In OC8.5.1.5 we would suggest that stating that the work may not take place may be inappropriate. The requesting safety coordinator may be able to do the work without those safety precautions being put in place, but if the term 'work' is used it would never be able to do that work. We accept if this is the drafting in the current Scottish Grid Code the Licensees and Users in Scotland may be more comfortable with the proposed wording in the Ofgem / DTI draft text.

*For safety co-ordination in England and Wales, in any case where the **Requesting Safety Co-ordinator** and the **Implementing Safety Co-ordinator** are unable to agree the **Location** of the **Isolation** and (if requested) **Earthing**, both shall be at the closest available points on the infeeds to the **HV Apparatus** on which **Safety From The System** is to be achieved as indicated on the **Operation Diagram**.*

*For safety co-ordination in Scotland, in any case where the **Requesting Safety Co-ordinator** and the **Implementing Safety Co-ordinator** are unable to agree the **Location** of the **Isolation** and (if requested) **Earthing**, then the ~~work shall not progress~~ request shall not progress.*


29. The above point also applies in OC8.8.1.3:

*For safety co-ordination in Scotland, in any case where the **Requesting Safety Co-ordinator** and the **Implementing Safety Co-ordinator** are unable to agree the **Location** of the **Isolation** and (if requested) **Earthing**, then the ~~work~~ request shall not progress.*

30. With regard to the forms (RISSP-I and RISSP-R) in the appendix we do not see any immediate problem for including additional appendixes for use in Scotland if parties in Scotland believe they are required.
31. With regard to the process diagrams in the appendix, if respondents express a view that the E+W versions are not appropriate for Scotland, due to regional differences, we would much prefer a new version for Scotland rather than altering the current E+W version. A GB version with various options depending on location would defeat the object of having a simple process diagram.
32. Appendix E is the E+W permit for work that was introduced recently as an example for proximity working. We do not see any issues, if proximity working is adopted in Scotland, of including examples of the form of Permit for Work for each of the Scottish Transmission Licensees.
33. We believe further consideration is required in respect of Appendix D, National Grid Safety Circular. This, depending on the arrangements in the STC and currently in Scotland for prefixes, may be best redrafted as a Transmission System Safety Circular.
34. Further drafting changes we would suggest are:

In OC8.2.1 (ii), after Relevant Transmission Licensee we would suggest the words '(as the case may be)' are inserted.



We note the drafting error in OC8.4.3.5: 'For Safety Co-ordination  In England and Wales'.

In OC8.4.3.2, After 'Safety Co-ordinators for the Transmission System will' we would suggest '(subject as provided below)' be inserted.

In OC8.7.2 and OC8.7.3 the term 'Co-ordinator' appears to be missing a hyphen.

## **OC11, Numbering and Nomenclature of High Voltage Apparatus at Certain Sites**

35. We agree with the proposed treatment of OC11 in the Consultation Paper, where all obligations are placed on the System Operator, subject to reviewing the related STC drafting. Clearly, it would be unacceptable to the GB System Operator to have obligations to Users, but unable to carry these out in Scotland due incomplete provisions in the STC.
36. The only proposed regional difference in OC11 is that the Scottish standards will not be specified, whereas the E+W standards are. We do not believe that the fact that the current Scottish Grid Code does not specify the standards is adequate reason for a regional difference.
37. The current Scottish Grid Code, in relation to numbering and nomenclature (SGC OC9), is perhaps less transparent in the area of the standards that Users are required to adhere to. As a minimum, the GB System Operator should at least have access to the Standards that it is contractually required to provide and comply with (in both the STC and Grid Code). Although, we believe Users in Scotland should have the same visibility of the Standard(s) they are required to comply with as those in England and Wales i.e. named standards.

## **BCs, Balancing Codes**

38. As mentioned in this and previous consultation responses the regional difference proposed for Small, Medium and Large Power Stations is a fundamental assumption we have made in all of our responses. Particularly, in respect of the Balancing Codes, this ensures the System Operator has the correct level of information and appropriate rights to operate in a safe, economical and efficient manner. To adopt limits in Scotland that were not consistent with the current Central Despatch Limit would call in to question the ability of the System Operator to achieve these primary objectives.
39. Our understanding is that the GB Codes have been drafted without specific provisions for Cascade Hydro units. If these were to be accepted as a concept in any of the Codes we agree there would be a consequential impacts on the draft GB Grid Code. In general, changes would be required wherever the current England and Wales Grid Code makes a differentiation between CCGT modules and CCGT Generating Units. Although there may be additional provisions required in the Balancing Code.

## **Conclusion**

40. In terms of substance, we broadly agree with the Ofgem/ DTI propositions, and have set out our detailed thoughts in this Consultation response. However, we

are concerned that there is still a considerable amount of further detailed work to be carried out. For example, development of Site Responsibility Schedules in Scotland for all Users, or any consequential change in the position on Cascade Hydro (as referred to in the Consultation Paper).

41. There is also a considerable amount of work to continue to do on STC / STCP drafting. As with any obligations in the Grid Code, but more particularly in respect of Safety, the related STC text is critical.
42. We are happy to discuss the issues we have raised in this response directly with Ofgem or in an open wider forum (such as the GCEG). As such this response can be treated as non-confidential.
43. We look forward to continuing to work constructively with Ofgem/ DTI in helping to develop the GB Grid Code. More generally, we will of course be continuing to input constructively into the BETTA Consultation process going forward.
44. If you have any queries on the above please do not hesitate to contact Patrick Hynes on 01926 656319, or by e-mail on [patrick.hynes@uk.ngrid.com](mailto:patrick.hynes@uk.ngrid.com).

# Appendix 1

## Suggested alternative wording for OC8.1.1

OC8.1.1(a) ~~It is recognised that (a)~~ **OC8 specifies (and in the case of the Relevant Transmission Licensees are not required to comply with this Grid Code. Accordingly, whereas this Operating Code No.8 (“OC8”) refers to obligations which will in practice be performed by Relevant Transmission Licensees or the Safety Co-ordinator nominated by a Relevant Transmission Licensee in accordance with relevant obligations under the STC, for the avoidance of doubt all contractual liabilities arising in connection with such obligations shall exist between the System Operator and the relevant User. Relevant Transmission Licensees shall enjoy no enforceable rights hereunder. Where, but for the exclusion of third party rights, a Relevant Transmission Licensee would enjoy any rights under the Grid Code then the right in question is for the benefit of the System Operator and compliance with any relevant obligation will be enforceable by the System Operator and not by any Relevant Transmission Licensee.** **OC8 specifies reflects)** the standard procedures to be used by the System Operator, Relevant Transmission Licensees and Users for the co-ordination, establishment and maintenance of necessary Safety Precautions when work is to be carried out on or near the Transmission System or the System of a User and when there is a need for Safety Precautions on HV Apparatus on the other's System for this work to be carried out safely.

In this **OC8** the term “work” includes testing, other than **System Tests** which are covered by **OC12**.

**(b) Relevant Transmission Licensees (SPT in its Transmission Area and SHETL in its Transmission Area) are involved in the OC8 process, but are not [required or able to be] bound by the Grid Code. OC8 includes references to the Relevant Transmission Licensees (or their nominated Safety Co-ordinator) undertaking in Scotland relevant responsibilities, and these reflect the obligations which the Relevant Transmission Licensees have under the STC with the System Operator to undertake these responsibilities. The references to Relevant Transmission Licensees are included so that OC8 fully reflects what will happen in practice in terms of Safety Co-ordination at Connection Sites, but the legal relationship under OC8 is between the System Operator and the Users. Thus in relation to these references, the responsibilities and rights of the Relevant Transmission Licensees under OC8 in respect of the Users, will be enforceable by and against the System Operator.**

**(c) In accordance with the relevant provisions of the CUSC, nothing in OC8 (or in any other part of the Grid Code) confers on the Relevant Transmission Licensees any rights, powers or benefits for the purposes of the Contracts (Rights of Third Parties Act) 1999.**