SP TRANSMISSION LIMITED

GB GRID CODE

RESPONSE TO OFGEM CONSULTATION PAPER

OPERATING CODE 8 (SGC OC6),
OPERATING CODE 11 (SGC OC9) AND BALANCING CODES

1. INTRODUCTION

SP Transmission (SPT) welcomes the opportunity to comment on this Ofgem/DTI mini-consultation paper on the Grid Code. This consultation is of particular importance since it deals with two safety critical codes, OC8 and OC11.

This response focuses on the framework for safety in which OC8, OC11 and other safety matters reside. There are in addition a number of specific comments about the drafting of OC8, and a more limited set of comments on OC11 and the Balancing Codes.

SPT welcomes the fact that Ofgem is consulting widely on safety issues, and fully endorses Ofgem's emphasis on the importance of safety matters in the industry. SPT looks forward to continuing to support Ofgem on this critical aspect of BETTA.

SPT is pleased that a significant number of comments which it has made in the course of the proceedings of the GB Grid Code Expert Group have been accepted by Ofgem, and SPT has been pleased to contribute fully to this Group.

2. KEY OBJECTIVES OF SAFETY ARRANGEMENTS

SP Transmission (SPT) continues to stress the necessity of an appropriate framework for safety under BETTA. This framework must satisfy a number of criteria. It must

- Provide clarity to all parties (Users, GBSO and TOs) in respect of their obligations;
- Achieve a level of clarity and transparency that provides operational personnel with a manageable and clear framework within which to operate;
- Be compatible with Ofgem's BETTA model and policy objectives;
- Promote and assist the discharge the licensees wider legal and statutory safety obligations; and
- Promote best practice in safety matters.

These general points are considered below.

3. GENERAL COMMENTS ON SAFETY

All participants in BETTA want to achieve clarity of the obligations upon all of the parties.

Under BETTA the Grid Code will provide specify key aspects of the interface between the GBSO and Users. The GBCUSC will provide that the Grid Code is contractually binding between the GBSO and Users.

At the same time the STC will specify key aspects of the interface between the GBSO and the TO.

However the Grid Code and the STC will, as a matter of fact, specify the Users' interactions with Transmission Owners (TOs) and vice versa even though these interactions will, as a matter of contract, be carried out "through" the GBSO.

The current draft of the GB Grid Code is based upon a previous Grid Code (the NGC Grid Code) under which the User has only ever to deal with one Transmission Company. Likewise Users in Scotland have only had to deal with one Transmission Company. This represents a major change for all interested parties, as under BETTA Users will have to deal with two transmission parties in respect of control and safety in Scotland, the GBSO and the TO.

This change has a number of impacts in the context of safety: -

- Under the current arrangements, there is never any ambiguity as to which Transmission Company has authority in any specific situation. As a result, the issue of who has authority never needs to be addressed.

  The framework for safety under BETTA must address the issue of when and how each of the parties, the GBSO, the TOs and the Users must each act and who has authority. This is important, as many safety provisions will be implemented in real time.

  The respective roles of all parties must be specified in a manner that is clear to operational staff.

- Risks arise if Users and TOs are working to different documents, for example the Grid Code for Users and the STC for TOs. There is a significant probability that inconsistencies and ambiguities will develop between the two documents, giving rise to difficult issues in real time. Working to one document is a sensible part of risk mitigation.

- The TOs and the GBSO carry out safety related activities, in order to discharge not only Electricity Act obligations, but also direct statutory obligations under the ESQC Regulations and general health and safety law. The structures set up under BETTA must not prejudice the Transmission Licensees' ability to discharge these obligations. Neither must the structure prejudice their rights under these rules.

  Clarity in respect of roles and obligations will assist the Transmission Licensees in discharging their obligations. Direct enforceability of the discharge of User rights and obligations in respect of safety may also be appropriate, especially give the fact that Transmission Licensees are entitled to take "enforcement steps" in the context of the ESQC Regulations.

Given these wider legal duties the governance of safety issues will be critical to all Transmission Licensees, who will need appropriate input into them. Users too are subject to health and safety rules, and they will expect to play a full role in governance.

Compatibility with the BETTA model and Ofgem policy

The BETTA structure envisages a legal and a contractual structure that interposes the GBSO between Users and the TOs. SPT accepts this model. SPT supports Ofgem's proposal that there should be interface agreements between Transmission Licensees and customers. We believe that other matters which affect safety should be captured by binding together the GBSO, TO and Users.

A Possible Framework

There are a number of different ways in which a framework could be created which would bind together the User, the GBSO and the TOs. It is not the objective of this response to provide a definitive way forward – but it is useful to consider a number of the features that this framework should provide. The framework should provide for:

- A single definitive text
- Appropriate governance procedures. SPT has highlighted the need for co-ordinated change governance between the main industry codes and the STC. This single safety text must also sit under appropriate governance, with all the parties appropriately able to suggest changes, which all the parties can consider together
- Clarity of roles. The text should be written with its ultimate readership in mind – operational staff of Users and Transmission Licensees.
- Enforceability. Given the roles and legal obligations of all the parties, all of them must be assured that the appropriate counterpart will carry out their designated tasks.

Such a document could be referred to as a Scottish Safety Code, which would bind together the GBSO, the TOs and the Users in a multilateral framework. SP Transmission accept that there are a number of different ways in which this could be brought into existence, and that this code must be limited to those matters necessary for safety.

4. TRANSTION AND BETTA

SPT welcomes Ofgem's pragmatic approach to the harmonisation of arrangements between Scotland and England. So far as safety is concerned, SPT would support changes in safety arrangements that are necessary to implement BETTA. However SPT would recommend that changes to safety arrangements are not made unnecessarily; there must be other compelling policy reasons for so doing.

The proposed OC8 still contains a significant number of changes from the current Scottish OC6. SPT note that one of the objectives of the proposed GB Grid Code is to minimise the number of variations within GB. Changes to safety arrangements require careful consideration, and will increase the retraining requirements for TO and User

control staff at a time when significant changes are already being made to introduce BETTA. For example, one of the proposed changes was recently considered by the Scottish Grid Code Review Panel as a possible change to the Scottish Grid Code OC6 and rejected as unnecessary. Minimisation of differences in practice can properly be carried out at a later stage after BETTA go-live.

5. OTHER MATTERS

OC8 only deals with "safety switching". Please note that safety issues arise in a number of other control situations including:-

- Operational switching
- Safety switching
- Emergency switching
- Black Start

SPT looks forward to identifying robust safety and control arrangements with Ofgem and the industry in respect of these matters, so that there is always clarity as to who as authority at any given time.

6. SPECIFIC DRAFTING POINTS

General

The drafting of OC8 is extremely difficult to read with its continual references to "In England and Wales" and "In Scotland". As a matter of clarity, it would have been much easier to have maintained two OC8 Codes – one applicable in Scotland and one applicable in England and Wales.

With such a structure, it would also have been easier to maintain the structure of the existing Scottish Grid Code's OC6 – thus minimising retraining problems caused by unnecessary changes to the code.

Definitions

The proposed definition for "Earthing" loosed the term 'where reasonably practical' which is included in the Scottish Grid Code. This allows the use of flexible Circuit Main Earths. While it is better to use the fixed earthing devices whenever possible, there are times, for example earth switch maintenance, where flexible earths have to be used. This flexibility needs to be carried over to the GB Grid Code.

SP Transmission does not have "Local Safety Instructions". At connection sites, SP Transmission works to "Safety Rules". Compare the drafting of the Scottish Grid Code OC6. The drafting or the definitions needs changed.

The proposed change to the definition of High Voltage will lead to an incompatibility with our current Safety Rules. This is an unnecessary change, and an impact assessment will need to be carried out regarding the incompatibility between the documents.

HV Apparatus. The definition of HV Apparatus within OC8 may require some further thought. cf. OC8.1.7 "User should bear in mind .. OC8 reads more easily…" The impact of restricting OC8 to HV Apparatus compared to the more general drafting in OC6 is unclear, and needs to be considered further.

General

There is no equivalent in the proposed GB Grid Code of "approval of safety rules" which is specified in OC6 4.1. The proposals in CC7.2 are different. While Users and TOs must exchange Safety Rules prior to commissioning, a crucial omission in OC8 is the requirement for changes to be notified and reviewed.

General Conditions

We are glad that Ofgem recognise that changes may be needed to the General Conditions 6.1.1 and 6.1.3 in respect of data and notices. These will be necessary in respect of notifications of, for example, safety co-ordinators. Further changes may be necessary in the General Conditions section 5 in respect of operational telephony between the Users and the appropriate TO's control centre, and in the Connection Conditions to ensure that appropriate operational telephony is provided for each control point.

OC8.1.1

The statement about the contractual position does not belong in this code. As written it is incorrect. The statement "for the avoidance of doubt all contractual liabilities arising in connection with such obligations shall exist between the System Operator and the Relevant User" is wrong, and should read "for the avoidance of doubt all liabilities, with the except of any exclusion or limitation of liability, arising …. and the Relevant User".

OC8.1.1

This Code does not unambiguously state that in Scotland the procedure for safety precautions will be between the Transmission Owner and the User. Instead the preamble uses the words "will in practice be performed …". These words do not exclude the System Operator from either carrying out these procedures or attempting to direct these procedures. This must be clarified.

OC8.1.2

This paragraph could be read as implying that OC8 covered Transmission Licensee to Transmission Licensee safety precautions, as well as Transmission Licensee to external system operator safety precautions.

OC8.1.5

As a matter of fact, Site Responsibility Schedules do not cover Safety Co-ordinators. Site Responsibility Schedules document the ownership, control and safety responsibility for each item of Plant at an Interface Site. They do not individually name the Safety Co-ordinators.

OC8.1.6

As a practical matter, SPT support the intention of the clause OC8.1.6 which mimics paragraph 1.2 in the SGC OC6. However, this clause highlights the difficulties with the drafting of this Code and the associated legal framework. Given the absence of the TOs rights, it is difficult to understand how any agreement between TOs and Users may be given legal authority.

The requirements of OC8 that such alternative procedures need to match need to be re-examined. For example, clause 8.1.8 does not exist. The requirement in the equivalent list in Scotland of OC6 4.1 for approval of **Safety Rules** does not seem to form part of the relevant list in OC8. The requirements of CC7.2 do not seem to be equivalent.

OC8.1.7.2 2(b)
SP Transmission does not place a Caution Notice at the Point of separation. This should be removed. Compare the Scottish Grid Code OC6 paragraph 4.2 which states "(b) adequate physical separation in accordance with and maintained by the method set out in the **Safety Rules** of the **Company** or **User** as the case may be."

OC8.3.1
While properly removing external interconnections from the scope of this OC8, this clause fails to recognise that it will be the respective TOs who would apply safety precautions – not the GBSO.

OC8.4.1.1 (a)
Under the Ofgem proposals there will not be a **Bilateral Agreement** between the User and the TOs. **Bilateral Agreements** are defined under the CUSC and will be entered into between the GBSO and the User.

OC8.4.3.2
The Scottish Grid Code provides a template for a RISSP form to be used in Scotland - compare Scottish Grid Code OC 4.4.2 Each **User** and the **Company** will use the format of the **RISSP** set out in Appendix A and B to this **Operating Code**, or any other format which may be agreed between the **Company** and the **Users** from time to time. It would be helpful to maintain this standard for now. Moves towards standardisation throughout GB can be considered after the implementation of BETTA

OC8.4.3.5 has a typographical error.

OC8.4.3.7
SPT cannot comment as to whether the form referred to in Appendix D is used for more general purposes than that implied by OC8.4.3.7. For SP Transmission, details of RISSP numbering are contained in our Grid System Operation Instructions, which are provided to Users. A method of passing the relevant information to Users which is appropriate for both the GBSO and the TOs is required. There are assumptions built into *OC8.5.4.5* which are inconsistent with the numbering of RISSPs for SPT, and the generality of the general numbering implied under OC8.4.3.7. Similarly, there are assumptions about the numbering of RISSPs in OC8.7.3

OC8.7

This is another new section which is proposed to apply in Scotland, and describes the use of RISSPs under certain emergency conditions. The concept as a default arrangement is good. However, in England and Wales, the interaction will be between NGC and DNOs with whom they have connection agreements. In Scotland, the interaction will typically be between a Transmission business and its affiliated Distribution business. These may use different internal processes. There are also odd circumstances, such as the possibility of difficulty with (say) the SPT line to Cruachan interacting with a distribution line belonging to S+S. There are no local connection points from which to start the procedure. Further thought is required on its application in Scotland.

OC8.8
The issue of a **Permit for Work for proximity work** was considered as a change by the Scottish Grid Code Review Panel as a possible change to OC6. The Panel decided that such a change was not necessary. The introduction of BETTA thus seems to be a strange reason for the introduction of such a concept into the safety rules in Scotland.

Were it to be introduced into Scotland, it would require a change to the internal Management Safety Procedures for SP Transmission and Distribution. The extent of this change is currently being evaluated.

Again, if such a change were to be introduced, the sample permit displayed in Appendix E would need to be made general.

OC8.5.1.4
The inclusion of the Scottish provision OC6 4.5.3 with the slight change in wording is appropriate.

COMMENTS ON OC11
The draft does not make it clear that it is the TOs who remain responsible for the numbering and nomenclature of plant. The draft STC procedure recognises the need for appropriate discussion and agreement with the GBSO. As in OC8, this code should allow for direct communication between the TO and the Users.

COMMENTS ON BALANCING CODES
The main activities of the balancing codes will be carried out by the GBSO. To the extent that TOs are involved in the event of contingencies such as black start or islanding, or get involved in processes between the GBSO and the User where there are loss of facilities such as communications – then these must be catered for, not only in the Balancing Codes, but the document we have called the Scottish Safety Code.

SP Transmission Limited
March 2004