

Bridget Morgan
Technical Directorate
Office of Gas and Electricity Markets (Ofgem)
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London
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18 June 2004

0141 568 4469

Dear Bridget,

The Grid Code under BETTA

**Ofgem/DTI conclusions and second consultation on the text of a GB Grid Code and conclusions on change management between the STC and each of the GB CUSC, GB BSC and GB Grid Code
May 2004**

**Additional issues for second consultation on the GB Grid Code text, mini-drafting consultation document
26 May 2004**

Thank you for the opportunity to respond to these consultations. This response is submitted on behalf of ScottishPower UK Division, which includes the UK energy businesses of ScottishPower, namely ScottishPower Energy Management Ltd, ScottishPower Generation Ltd and ScottishPower Energy Retail Ltd.

I hope that you find these comments useful. Should you have any queries on the points raised, please feel free to contact us.

Yours sincerely,

Mike Harrison

Commercial Manager, Trading Arrangements
ScottishPower Energy Management Limited

GB GRID CODE

CONCLUSIONS AND SECOND CONSULTATION ON THE TEXT, AND

ADDITIONAL ISSUES FOR SECOND CONSULTATION ON THE TEXT

SCOTTISHPOWER UK DIVISION RESPONSE

1 General comments

- 1.1 ScottishPower UK Division notes and welcomes the extent to which the GB Grid Code drafting has been altered as a result of the consultation process. In particular we welcome Ofgem/DTI's acceptance of the need to redraft OC8 with separate sections for England and Wales and Scotland, and without the contractual clause which previously dominated the introduction. This Code is much improved as a result.
- 1.2 We also welcome Ofgem/DTI's statements regarding the technical requirements for Scottish generators (at paragraph 4.44) that *"It is not the intention under BETTA to impose technical requirements that were not necessary prior to BETTA and which are not required as a direct consequence of introducing common market arrangements."* Similarly for obligations (at paragraph 4.46) *"Ofgem/DTI are keen to ensure that the obligations placed on generators reflect, as far as practicable, the obligations that are currently in place today, and do not place unnecessary additional obligations or burdens on such generators."* It will be important to ensure that these principles are applied in all areas where discretion remains, otherwise the achievement of fair competition in generation will be jeopardised.
- 1.3 We note that discussions are continuing amongst the transmission licensees in a number of areas, including operational and safety procedures and the treatment of embedded large LEGs. We also note that there are a number of references in the discussion on the Connection Conditions to matters which will be dealt with under the transitional licence conditions. We would point out that further delay in concluding on technical requirements may prejudice the achievement of compliance (or derogation) before the Go-Live date.

2 MW levels for data requirements

- 2.1 ScottishPower UK Division has argued consistently for the definitions of small, medium and large power stations, and hence the MW levels for data requirements, to be harmonised across the GB network. We are disappointed that Ofgem/DTI continue to insist that more onerous obligations be placed on Scottish generators, but welcome their support for amendment of the levels in future when this has been demonstrated to be possible.

3 Change coordination

- 3.1 We have stated in our responses to the near final draft BSC, CUSC and STC that there should be an obligation on the Panels of the user-facing codes to invite the STC Committee to be represented during the code modification/amendment process. We note Ofgem/DTI's view that the current arrangements for the Grid Code Review Panel are sufficient to allow adequate change coordination to be achieved between the Grid Code and the STC. However, the proposed arrangement is permissive, not prescriptive. We believe that there needs to be an obligation on the GCRP to seek representation from the STC Committee when amendments to the Grid Code which could affect the STC are being considered. We believe that the maintenance of consistent codes across the fragmented contractual framework within which the Scottish users will operate is an essential aspect of fair competition between all parties to the new GB trading arrangements.

4 Load Management Blocks

- 4.1 ScottishPower UK Division has previously argued that the provisions relating to the submission of data relating to Load Management Blocks in Scotland should not be included in the GB Grid Code as the impact of these blocks in terms of the balancing of the total GB system was immaterial. We note that Ofgem/DTI have identified that the information currently provided to the system operator will, under BETTA, be contained in the information submitted to NGC in relation to the Supplier BM Units which contain the teleswitched demand.
- 4.2 Ofgem/DTI qualify this observation by adding "but this information will only be on a Supplier BM Unit basis." It is not clear what additional point is being made here, as the data has only ever been on the equivalent of a GSP Group basis, so to include the information in Supplier BM Unit data will not lead to any loss of granularity in the information provided. There seems no reason why this information need be submitted twice, and we therefore do not believe that there is any need to include the current SGC provisions relating to Load Management Blocks as a regional variation to the GB Grid Code.

5 Interconnector provisions in the GB Grid Code

- 5.1 We have previously argued that the SGC provisions regarding submission of data by interconnector users was in relation to Scottish users trading on external systems and would be redundant under the BETTA arrangements. We note Ofgem/DTI's comments that NGC receives data relating to interconnectors from its internal interconnectors business and that it will not have access to data about the Moyle interconnector through that route. Should it be agreed that NGC require planning data relating to interconnectors then suitable provisions for all interconnectors should be included in the Grid Code. If the data has been obtained internally in the past then it is clearly asset owner data that is required, and the new provisions should therefore not put additional obligations on interconnector users.

6 OC8 Safety Coordination

Definition of HV

6.1 We note Ofgem/DTI's comment that it is preferable to have common definitions where possible for the benefit of users who operate in England and Wales and Scotland. As one such user we would confirm our preference for having a definition which is consistent with the safety rule definition used by both this user and the relevant transmission licensee, i.e., the parties who will be operating under OC8A2, as has been the case under SGC OC6. While any consequential difficulties are probably not insurmountable we do not regard the change in the definition of HV as a change which is necessary for BETTA and see no reason why the SGC definition cannot survive as a regional variation.

6.2 The following drafting comments are referenced to the GBGC D2 OC8.

OC8A2.1.1 The last sentence may be better worded "OC8A2 applies to Relevant Transmission Licensees and Users only in Scotland" given that the first sentence states that it also applies to NGC.

OC8A2.14 The first instance of "Relevant Transmission Licensee" should be plural.

OC8.2.1.7.2(2)(b) Insert "of" between "Safety Rules" and "the".

OC8A2.3.1: Insert ", Relevant Transmission Licensees" between "NGC" and "and" in the first line and delete the sentence "In Scotland OC8A2 also applies to the Relevant Transmission Licensees."

OC8A2.4.3.5 This paragraph needs to be used to introduce the concept of numbering the RISSPS using prefixes and suffixes. Without this introduction there is no context for the provisions of OC8A2.4.3.6.

OC8A2.5.1.5 The wrong paragraph has been copied from OC8A1. This one should read "...HV Apparatus on which Safety From The System is to be achieved as indicated..."

OC8A2.7.3(a) Insert "and" between "Relevant Transmission Licensee" and "the User".

7 Definitions

7.1 The references in the definition of "Point of Isolation" are incorrect. They should refer to OC8A1.1.6.2 and OC8A2.1.7.2.

7.2 We note that the definition of "GB Transmission System" is not consistent with that in the GB CUSC, but that it is still subject to conformance checks across all the documents.

8 Change proposals

Change proposals being considered by the Authority

- 8.1 We do not believe that the EWGC change proposals F/03, E/03 and A/04 have any different impacts GB-wide than they will have in England and Wales.

Current consultations on proposed changes to the Grid Codes

- 8.2 We do not believe that the EWGCC change proposals C/04, D/04 and E/04 have any different impacts GB-wide than they will have in England and Wales.