

The Grid Code under BETTA

Ofgem/DTI conclusions and publication of proposed designation text

August 2004

Summary

This document marks the end of a process of consultation on the Grid Code under BETTA, which commenced in December 2002. Ofgem/DTI have published a copy of the Grid Code change marked against the current version (Revision 16) of the England and Wales Grid Code to indicate the changes to be made¹ for the purposes of implementing BETTA. These changes will be brought into effect by the Secretary of State using powers provided by the Energy Act 2004. This Grid Code is expected to be put into effect GB-wide from 1 September 2004, although many aspects of the application of the Grid Code will be limited to England and Wales until BETTA go-live, which is planned for 1 April 2005. It should be noted that the Scottish Grid Code will also be in effect during the period until BETTA go-live.

The purpose of this document is to provide:

- ◆ an explanation of how the changes to be designated to the Grid Code by the Secretary of State have been determined, and
- ◆ Ofgem/DTI's conclusions following the consultation on the transition to the GB CUSC and GB Grid Code² including conclusions on the changes proposed to the Grid Code licence condition that appears in NGC's transmission licence and the Scottish Grid Code licence condition that appears in the transmission licences of SPT and SHETL.

¹ Note OC8 of the published GB Grid Code is not change marked because of the extent of the changes as compared with the existing England and Wales OC8. OC8 of the published GB Grid Code replaces in its entirety the England and Wales OC8.

² 'Provisions for the transition to the GB CUSC, the GB Grid Code and GB connection and use of system agreements under BETTA; including associated licence conditions for NGC and for generation, distribution and supply licensees; changes to the CUSC Framework Agreement; and transitional drafting for the GB CUSC and the GB Grid Code, Ofgem/DTI consultation', July 2004, Ofgem #138/04.

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1. Background

- 1.1. The rationale for the British Electricity Trading and Transmission Arrangements (BETTA) reforms is set out in a consultation paper of December 2001³ ('the December 2001 consultation paper') and a report of May 2002⁴ ('the May 2002 report'). The planned date for BETTA go-live is 1 April 2005 although it should be noted that a large part of the reforms are being introduced in September 2004.
- 1.2. Since May 2002, Ofgem/DTI have published a number of consultation and conclusions documents on BETTA and its component parts. Copies of these papers and non-confidential responses to them can be found on the Ofgem website⁵.
- 1.3. On 30 January 2003 the DTI published a draft of the Electricity (Trading and Transmission) Bill (the E(TT) Bill) together with a Regulatory Impact Assessment (RIA), which explained the purpose and impact as well as the expected costs and benefits of the proposed primary legislation to enable the BETTA reforms. The E(TT) provisions of that draft Bill were incorporated into the Energy Bill which became the Energy Act 2004 following Royal Assent on 22 July 2004.
- 1.4. Ofgem/DTI have published a number of documents related to the Grid Code which is to apply throughout GB (referred to as the GB Grid Code). These are as follows:
 - ◆ on 6 December 2002, Ofgem/DTI published the first consultation on the Grid Code under BETTA⁶
 - ◆ on 30 September 2003, Ofgem/DTI published a second consultation on the Grid Code under BETTA⁷ together with a first draft of the legal text

³ 'The Development of British Electricity Trading and Transmission Arrangements (BETTA): A consultation paper', Ofgem, December 2001. Ofgem#74/01.

⁴ 'The Development of British Electricity Trading and Transmission Arrangements (BETTA): Report on consultation and next steps' Ofgem/DTI, May 2002. Ofgem#38/02.

⁵ www.ofgem.gov.uk (see 'BETTA publications').

⁶ 'The Grid Code under BETTA, Ofgem/DTI consultation on a Grid Code apply throughout GB', December

for the GB Grid Code and also consultation on change co-ordination between the STC and user-facing industry codes

- ◆ on 7 May 2004, Ofgem/DTI published the third consultation on the Grid Code under BETTA⁸ together with a second draft of the proposed legal text for the GB Grid Code and also conclusions on change management between the STC and each of the GB CUSC, GB BSC and GB Grid Code, and
- ◆ on 3 August 2004, Ofgem/DTI published their conclusions on the Grid Code under BETTA and on change management between the STC and each of the GB BSC, GB CUSC and GB Grid Code together with near-final legal text for the GB Grid Code⁹.

1.5. On 17 June 2004 Ofgem/DTI published a document¹⁰ on the approach to the transition to BETTA. That document described the approach being adopted to develop the transitional legal framework and associated legal drafting to support the transition to and implementation of BETTA. On 6 July 2004, Ofgem/DTI published a consultation on the transition to the GB CUSC and GB Grid Code¹¹, together with legal text to effect such transition, which included proposed changes to the GB Grid Code, NGC's Grid Code licence condition and the Scottish Grid Code licence condition.

1.6. The purpose of this document is to provide conclusions on the July GB Grid Code transition consultation and to explain the derivation of the legal text for

2002, Ofgem#78/02.

⁷ 'The Grid Code under BETTA, Ofgem/DTI conclusions and second consultation on the text of a GB Grid Code and consultation on change co-ordination between the STC and user-facing industry codes', September 2003, Ofgem#111/03.

⁸ '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, Ofgem#99/04.

⁹ 'The Grid Code under BETTA, Ofgem/DTI conclusions and publication of near final legal text of the GB Grid Code and conclusions on change management between the STC and each of the GB BSC, GB CUSC and GB Grid Code', August 2004, Ofgem#188/04.

¹⁰ 'Legal arrangements for the transition to and implementation of the British Electricity Trading and Transmission Arrangements, Ofgem/DTI Statement of approach', June 2004, Ofgem#137/04.

¹¹ 'Provisions for the transition to the GB CUSC, the GB Grid Code and the GB connection and use of system agreements under BETTA; including associated licence conditions for NGC and for generation, distribution and supply licensees; changes to the CUSC Framework Agreement; and transitional drafting for

the changes to the England and Wales Grid Code that are planned to be made by the Secretary of State. The England and Wales Grid Code is expected to be modified to incorporate these changes in order that the GB Grid Code may come into effect on 1 September 2004. Note that for the period from BETTA go-active to BETTA go-live, the GB Grid Code and the Scottish Grid Code will both be in effect. At BETTA go-active the majority of the GB Grid Code provisions will be turned off for users in Scotland¹². It is expected that there will be a progressive turning on of such provisions up to BETTA go-live, at which point the Scottish Grid Code will cease to be in effect.

the GB CUSC and GB Grid Code: Ofgem/DTI consultation', July 2004, Ofgem#152/04.

¹² General Conditions GC.A2.9(b) and GC.A.2.11 specify in detail.

2. Conclusions on GB Grid Code transition consultation and description of legal text

Description of legal text

- 2.1. The revisions to the Grid Code to be directed by the Secretary of State identify the changes to be made to the existing England and Wales Grid Code to form the code (the 'GB Grid Code') which will come into effect GB-wide on 1 September 2004. These changes are derived from two sources. The main source for the changes to the England and Wales Grid Code to form the GB Grid Code is the near-final legal text published on 3 August 2004¹³.
- 2.2. In addition, on 6 July 2004¹⁴, Ofgem/DTI published a consultation on the transition to the GB CUSC and GB Grid Code which included changes to the Grid Code (largely a new clause in the General Conditions GC.14) to effect the transition from the Grid Code at BETTA go-active to the enduring Grid Code at BETTA go-live. These changes have also been incorporated into the legal text to be directed by the Secretary of State, amended as appropriate to reflect the conclusions set out below.

Conclusions on near-final legal text published in August 2004

- 2.3. Near-final legal text for the GB Grid Code was published on 3 August 2004¹⁵. One party submitted a drafting comment in response to this publication and this suggestion has been included in the text of the document to be designated by the Secretary of State. The party noted that the drafting of the first sentence of OC6.2.2 would read better if "meet" were moved to earlier in the sentence.

¹³ See footnote 9.

¹⁴ See footnote 11.

¹⁵ See footnote 9.

Ofgem/DTI agree with this and this change is included in the text for designation.

- 2.4. Ofgem/DTI have also instructed that the definition of GB Transmission System is conformed to the definition in the transmission licence by replacing the first incidence of 'NGC' in the definition with 'Transmission Licensees within Great Britain' and the second 'NGC' with 'any Transmission Licensee within Great Britain'. Thus the definition becomes: 'The system consisting (wholly or mainly) of high voltage electric lines owned or operated by Transmission Licensees within Great Britain and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus and meters owned or operated by any Transmission Licensee within Great Britain in connection with the transmission of electricity but does not include any Remote Transmission Assets'.

Conclusions on legal text for transition to the GB Grid Code

- 2.5. A consultation on the transition to the GB CUSC and GB Grid Code was published on 6 July 2004¹⁶. Six responses were received to the GB CUSC and GB Grid Code transition consultation. A list of respondents is shown in Appendix 1. The responses are available on the Ofgem website at www.ofgem.gov.uk.
- 2.6. Respondents' comments in relation to transition to the GB Grid Code are set out below, together with Ofgem/DTI's response. Respondents' comments on transition to the GB CUSC, on the CUSC transitional licence condition and on the transitional licence conditions relating to putting in place GB connection and use of system agreements are considered in the Ofgem/DTI publication of proposed designation text for the GB CUSC, which is published alongside this document. A number of respondents also provided comments in relation to the

¹⁶ See footnote 11.

proposed changes to NGC's Grid Code licence condition and the Scottish Grid Code licence condition to apply in the transitional period up until BETTA go-live which were published as appendices to the GB CUSC and GB Grid Code transition consultation. These comments are also considered below.

Summary of responses and Ofgem/DTI views on transitional legal text for the GB Grid Code

GB Grid Code provisions for transition

- 2.7. One respondent considered that the transitional provisions in the General Conditions (GC.14) of the GB Grid Code should be time limited so that at the end of the transitional period, parties to the Grid Code will revert to the normal consultation arrangements provided for under the code.
- 2.8. Ofgem/DTI note that the transitional provisions of the GB Grid Code have been introduced for the narrow purpose of enabling the effective implementation of BETTA and in particular to provide for any further amendments to be made to the GB Grid Code prior to BETTA go-live and to provide for the introduction of the full provisions of the GB Grid Code to all users in GB (referred to as 'cut-over'). Ofgem/DTI note that the licence condition which enables the Authority to direct change to the Grid Code (paragraph 7 of transitional licence condition C14), where such change is necessary or expedient for the purposes of implementing BETTA, is only active during the transition period. Ofgem/DTI further note that most of the provisions of GC.14 specifically apply only to the Transition Period and that the Authority or any user could propose review of GC.14 after the transition period.

Provision of data

- 2.9. One respondent noted that, given the confidentiality provisions in the licences of the transmission owners, it may be quicker if data to be provided to NGC during the transitional period was to be sourced directly from the user by NGC, rather than NGC seeking this data through the transmission owner.
- 2.10. Ofgem/DTI note that NGC, the Scottish transmission licensees and licensed users will be obliged by their licences to undertake the steps necessary to

prepare for the timely implementation of BETTA. Ofgem/DTI note that the approach set out by the respondent may result in NGC receiving data more quickly than if it was to request this information from the transmission owner, and NGC may wish to follow this course of action. However, Ofgem/DTI consider that greater flexibility is provided at the current time through not prescribing how NGC should source the data it will require during the transitional period. Ofgem/DTI also note that the transitional provisions of the CUSC (see Section 12.2.13) provide for users agreeing that each Scottish transmission licensee may provide data to NGC.

- 2.11. One respondent considered that the transitional provisions needed to be amended so that Scottish users had an obligation to provide or enabled the Relevant Transmission Licensee to provide to NGC three years of historic data for the purposes of investment planning and generation scheduling.
- 2.12. Ofgem/DTI note that data provision is still a matter of ongoing discussion in the context of the work that the licensees are undertaking on the transition to and implementation of BETTA. Should any changes be required to the provisions of GC.14 as a result of this, these will be consulted on after BETTA go-active.

Other issues

- 2.13. One respondent requested that the difficulties which parties might experience in accommodating changes to user codes before or soon after BETTA go-live should be recognised in any code change decisions which Ofgem may make.
- 2.14. Ofgem/DTI note that the Grid Code review process includes procedures through which the Grid Code Review Panel can be made aware of any particular implementation problem, which must be included in NGC's report to the Authority and which the Authority will take account of in reaching its decision on whether and when such a proposal should be implemented
- 2.15. One respondent noted that, for users in Scotland, the proposed method of transitioning to the GB Grid Code involved the progressive switching on of new provisions in the GB Grid Code and switching off of provisions in the Scottish Grid Code. This respondent considered that it would be helpful if Ofgem/DTI and the transmission licensees could agree a means of publishing a statement of the various components of the codes which are switched on at any time and

could also agree to provide a minimum of several days notice of intended changes.

- 2.16. Ofgem/DTI agree that the transition process should be clear to users and note that the switching on or off of grid code provisions will require change to the provisions of such codes which will be consulted upon. Ofgem/DTI will discuss the form of such consultations and the possibility of the sort of publication proposed by the respondent with the transmission licensees after BETTA go-active.
- 2.17. One respondent stated that any consultation on uncompleted requirements for transition to be carried out by NGC, and the timetable for such consultation, should be approved by Ofgem.
- 2.18. Ofgem/DTI note that the transitional provisions of the GB Grid Code (see GC.A1.10) require that NGC consult on requirements in accordance with the instructions of the Authority.

Detailed drafting comments

- 2.19. One respondent provided comments on the legal drafting in GC.14. The comments on GC.14, together with Ofgem/DTI's response, are set out in the table below.

	Respondent's comment	Ofgem/DTI's view
GC.A1.11	One respondent noted that the outcome of the consultation on Planning and Operating Standards under BETTA could have an effect on Grid Code drafting and proposed that this should be included in the list in GC.A1.11.	Ofgem/DTI agree with this and have amended GC.A1.11 accordingly.

GC.A2.2 to GC.A2.4	One respondent noted that further consideration should be given to the precise language describing the rights and obligations of NGC and users, to reflect more accurately what is practically happening in the transition period in paragraphs GC.A2.2 to GC.A2.4.	Ofgem/DTI have given further consideration to the draft text issued in the GB CUSC and GB Grid Code transition consultation, and minor wording changes have been made to GC.A2.2 to GC.A2.4 (see below) to reflect more accurately the effect of the transition provisions on NGC, England and Wales and Scottish Users.
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Other drafting changes to GC.14

2.20. The following changes have been instructed by Ofgem/DTI following further review of the drafting of GC.14 published in the document on the transition to the GB CUSC and GB Grid Code.

Section	Drafting instruction
GC.14 and its appendix	Conform references to 'Licence' and 'Transmission Licence' with the approach adopted to refer explicitly to a particular Transmission Licence (ie NGC's Transmission Licence) in draft 3 of the GB Grid Code.
GC.A1.1	Add 'and as further amended from time to time' before 'shall be referred to as the "GB Grid Code"'. To capture the fact that the GB Grid Code will evolve over time.
GC.A1.3 (c) and (f)	Change 'Users' to 'Users (or prospective Users)' to cover the status of those who are not yet Users. Correct typographical errors. Two incidences of 'Transmission Period' should say 'Transition Period'.
GC.A1.3 (h) and GC.A2.10	Amend these clauses to refer to the 'Interim GB SYS' to conform with NGC's transmission licence obligations relating to the Seven Year Statement.
GC.A1.3(i) and (j)	Conform definition of 'Go-Active' to that in section 12 of GB CUSC. Conform definition of 'Go-Live' to that in the transmission licence.
Throughout	Remove square brackets throughout.
GC.A1.3, GC.A1.4, GC.A2.2(b), GC.A2.4(a), GC.A2.4(b)	Remove notes or text in square brackets in these sections.

and GC.A3.1	
GC.A1.10	Insert 'in respect of the matters' between 'and' and 'identified in GC.A1.11' to clarify the drafting.
GC.A1.11(d)	'Operational Liaison' and 'Islanding' should not be capitalised.
GC.A1.11(f)	Replace 'STCP' with 'STC procedure'.
GC.A1.11(h)	Add 'The conclusions of Ofgem/DTI in relation to planning and operating standards.' (see 2.19 above)
GC.A2.2 (See 2.19 above)	<p>Delete 'as written'. The description of GB Grid Code in GC.A1.1 has been changed.</p> <p>Replace 'comply with it subject to' with 'comply with and be subject to it subject to'.</p> <p>Move 'during the Transition Period' to front of (a).</p> <p>Delete comma after GB Grid Code in (b). Add ', and all the provisions of the GB Grid Code shall be construed accordingly' at end of (b).</p>
GC.A2.3 (See 2.19 above)	<p>Delete 'as written'. The description of GB Grid Code in GC.A1.1 has been changed.</p> <p>Add 'and the GB Grid Code shall apply to or in relation to them' after 'GB Grid Code'.</p>
GC.A2.4 (See 2.19 above)	<p>Replace 'comply with it subject to' with 'comply with and be subject to it subject to'.</p> <p>In (a) add ', and all the provisions of the GB Grid Code shall be construed accordingly' at end.</p> <p>In (b) replace 'apply in respect of the Transmission Systems of the Relevant Transmission Licensees' with 'be as provided in this Appendix to the General Conditions'.</p>
GC.A2.11	Delete square brackets. Replace text in square brackets with 'GC.4, GC.12 and GC.13.2 of the GB Grid Code'. GC.4 introduces the new Grid Code Review Panel provisions applicable to GB and GC.13.2 has been included as a general provision to make explicit that Relevant Transmission Licensees do not enjoy third party rights under the GB Grid Code. GC.12 introduces general confidentiality provisions.

Summary of responses and Ofgem/DTI views on transitional legal text for NGC's Grid Code licence condition

- 2.21. The consultation on the transition to the GB CUSC and GB Grid Code contained within it proposed amendments to NGC's standard licence condition 14 (Grid Code) that would apply during the transitional period up until BETTA go-live. The proposed amendments were necessary to recognise that in the transitional period the GB Grid Code would only have 'operational' effect in England and Wales and to provide the Authority with powers to modify the GB Grid Code during the transitional period under certain circumstances.
- 2.22. One respondent commented that in its view the powers provided to the Authority to modify the Grid Code during the transitional period did not appear to be modified by any test of reasonableness. This respondent noted that the power was modified by the obligation to consult on any changes that the Authority deems to be necessary but felt that there should be a test of reasonableness in exercising this power. Another respondent suggested that the power of the Secretary of State to make transitional and enduring changes to the Grid Code should only be exercised for the narrow purpose of implementing BETTA and should be time limited.
- 2.23. The test that is applied in the licence condition drafting to the exercise of the power by the Authority is one where the Authority considers it necessary or expedient to direct a revision to the Grid Code (in the circumstances specified) for the purposes of implementing BETTA. Ofgem/DTI note that this 'necessary or expedient' test is the same test as that set out in the Energy Act in relation to the exercise of the powers provided under Part 3, Chapter 1 (Electricity Trading and Transmission) by the Secretary of State. Ofgem/DTI consider that it is inappropriate to constrain the power to make amendments to a narrower test than the one provided for in the Energy Act. Ofgem/DTI do not consider that it is necessary to apply a test of 'reasonableness' in this regard, as the Authority and the Secretary of State are required to act in accordance with their principal objective and statutory duties as provided for in the Electricity Act and also general principles of public law. Ofgem/DTI further note that the relevant powers available to the Secretary of State under the Energy Act 2004 expire 18

months after they are commenced, and that the power for the Authority to direct revisions to the Grid Code in the transitional period expires at BETTA go-live.

- 2.24. One respondent considered that certain of the circumstances in which the Authority could direct changes to the Grid Code in the transitional period (for example where necessary to correct inconsistencies with the STC or consequent upon a change being made to the STC) were inconsistent with the proposition that the STC will not be able to drive changes to the Grid Code.
- 2.25. It is not Ofgem/DTI's intention that the STC would 'drive' change to the Grid Code, nor is it the intention that the Grid Code would 'drive' change to the STC. To the extent that a change is required which could affect both documents, the need for that change will be considered having regard to all relevant factors. For example, it would not be appropriate to make a change to the Grid Code purely because there was an inconsistency with a provision in the STC (or vice-versa) without consideration of all the relevant factors. The Authority would consider how the inconsistency should be rectified and this could give rise to either a change to the STC or a change to the Grid Code or both the STC and the Grid Code. Ofgem/DTI do not consider that the drafting presented suggests that one document could 'drive' change to another document. It simply ensures that powers are available to change the documents in either direction, should this prove necessary.
- 2.26. One drafting comment was received suggesting that the reference in paragraph 7(c) should be to parties to whom the Grid Code applies. Ofgem/DTI agree with this change and this has been reflected in the licence condition drafting that is proposed for designation by the Secretary of State. Ofgem/DTI have also made a few minor drafting changes to the licence condition text.
- 2.27. Additional transitional provisions have been inserted at the end of the licence condition requiring NGC to comply with the provisions of any other grid code that is applicable to it. This is an obligation that NGC currently faces and one that has been maintained for the transitional period up until BETTA go-live whilst the Scottish Grid Code is in effect.

2.28. The enduring Grid Code licence condition (C14) and the transitional changes to this licence condition (contained within Section E of the transmission standard licence conditions) proposed for designation by the Secretary of State were published on the Ofgem website on 16 August 2004.

Summary of responses and Ofgem/DTI views on transitional legal text for Scottish Grid Code licence condition

- 2.29. The consultation on the transition to the GB CUSC and GB Grid Code explained that given that the standard licence conditions for electricity transmission licences under BETTA will be introduced at BETTA go-active, it will be necessary to introduce a new transitional licence condition on the Scottish transmission licensees in relation to the Scottish Grid Code to apply from BETTA go-active during the transitional period up to BETTA go-live. This licence condition, modelled on the existing Scottish Grid Code licence condition, was included in the consultation. Additional provisions for the transitional period obliging the Scottish transmission licensees to comply with the other grid codes that may be in place were also included.
- 2.30. Finally, provisions were included which gave the Authority the ability to modify the Scottish Grid Code during the transitional period for certain purposes, including where it was necessary or expedient to ensure that BETTA could commence on and from the go-live date.
- 2.31. One respondent commented that there was the possibility of conflict between the two Grid Codes that will be in force, and that the precedence of the Grid Codes should be established to ensure a resolution of any potential conflict.
- 2.32. Ofgem/DTI consider it unlikely that the two Grid Codes (the GB Grid Code and the Scottish Grid Code) would conflict in the transitional period as they will apply in relation to separate markets. To the extent that any provisions in the GB Grid Code are applied in relation to parties in Scotland prior to BETTA go-live, and to the extent that this has the potential to result in conflicting provisions, Ofgem/DTI will consider the appropriate course of action at that time. It is not

Ofgem/DTI's intention that users should be subject to conflicting provisions. A power has been included in the proposed licence condition text¹⁷ for designation by the Secretary of State that provides the ability for the Authority to direct a revision to the Scottish Grid Code where necessary to remove a conflict with the GB Grid Code. An equivalent provision has also been included in NGC's Grid Code licence condition (C14)¹⁸.

- 2.33. One respondent commented that the proposed licence condition suggested that the Scottish transmission licensees comply with the provisions of the Grid Code applicable to them. This respondent stated that given that neither Scottish transmission licensee will be a party to the GB Grid Code, some clarification would be welcomed that they would only be required to comply with those enduring provisions of the code that would be applicable to them.
- 2.34. The licence condition requirement for Scottish transmission licensees to comply with the provisions of any other grid code applicable to them will cease at BETTA go-live. Ofgem/DTI trust that this provides the necessary clarification that the respondent was seeking.
- 2.35. The transitional Grid Code licence conditions for Scottish transmission licensees (D9 and D10) proposed for designation by the Secretary of State were published on the Ofgem website on 16 August 2004. Changes have been made to these licence conditions since the last published draft where appropriate to address the comments made by respondents above and in a few minor instances to reflect drafting changes that Ofgem/DTI consider to be necessary.

¹⁷ Transitional condition D9 6(b).

¹⁸ Transitional condition C14 7(b).

3. Outstanding issues

- 3.1. The GB CUSC and GB Grid Code transition consultation identified a number of issues, some transitional and others enduring which were to be addressed during the transitional period prior to BETTA go-live and explained how Ofgem/DTI intend to progress these issues.
- 3.2. The consultation on the transition to the GB CUSC and GB Grid Code noted that the transition sections of the GB CUSC or the GB Grid Code as appropriate will describe areas of uncompleted transitional requirements and will place an obligation on NGC to develop detailed requirements for such areas, to consult interested parties upon the requirements and to develop the legal drafting for the GB CUSC or GB Grid Code to deliver such requirements. Such legal drafting will, subject to the approval of the Authority, be added to the relevant section of the GB CUSC or GB Grid Code and, as a result, parties will be obliged to comply with those additional requirements. The transitional provisions contained in CUSC (C10) and Grid Code (C14) conditions of NGC's transmission licence give the Authority the power to make changes to the GB CUSC and to the GB Grid Code in relation to these uncompleted transitional requirements. Once NGC has produced and consulted upon legal drafting to the satisfaction of the Authority, the Authority will issue a notice to NGC requiring the GB CUSC or GB Grid Code to be amended. In certain circumstances the Authority might also consider it necessary to conduct its own consultation on the changes being proposed prior to directing any changes to be made.
- 3.3. The issues identified in GC.A1.11 that may impact on the transitional requirements in the GB Grid Code are:
- ◆ the specific detail of the obligations needed to manage implementation in the period up to and following (for a temporary period) go-live to achieve the change to operation under the GB Grid Code (to be included in GC.A3)
 - ◆ information (including data) and other requirements under the GB Grid Code applicable to Scottish Users during the Transition Period (to be included in GC.A2)

3.4. The issues identified in GC.A1.11 that may impact on the enduring requirements in the GB Grid Code are:

- ◆ the conclusions of Ofgem/DTI in relation to small and/or embedded generator issues under BETTA and allocation of access rights on a GB basis
- ◆ any arrangements required to make provision for operational liaison, including Black Start and islanding arrangements in Scotland
- ◆ any arrangements required to make provision for cascade hydro BM Units
- ◆ any consequential changes to the safety co-ordination arrangements resulting from STC and STC Procedure development
- ◆ any arrangements required to reflect the Electrical Standards for the Transmission Systems of SPT and SHETL, and
- ◆ the conclusions of Ofgem/DTI in relation to planning and operating standards.

3.5. On 15 July 2004, Ofgem/DTI issued a mini-consultation on the treatment of embedded exemptable large power stations (EELPS) under BETTA¹⁹. This document invited views on the desirability of a number of potential amendments to the Grid Code to ensure that EELPS enter into appropriate agreements with NGC. The closing date for responses to this consultation was 13 August 2004. It has not therefore been possible to include any potential Grid Code changes that may be concluded to be required in the proposed designation text. As noted in the 15 July 2004 consultation, if any changes to the legal framework are needed to support EELPS, these will be consulted upon after BETTA go-active.

¹⁹ 'Treatment of embedded exemptable large power stations under BETTA: An Ofgem/DTI mini consultation document', July 2004, Ofgem 161/04.

- 3.6. On 27 July 2004, Ofgem/DTI issued a mini-consultation on the GB Grid Code drafting associated with cascade hydro schemes²⁰. This document invited views on grid code drafting related to cascade hydro schemes. The closing date for responses to this consultation was 11 August 2004. It has not therefore been possible to include any potential Grid Code changes that may be concluded to be required in the proposed designation text.
- 3.7. On 12 July 2004, Ofgem/DTI issued a consultation document on a harmonised GB security and quality of supply standard²¹. The closing date for responses to this consultation is 23 August 2004. It has not therefore been possible to include any potential Grid Code changes that may be concluded to be required in the proposed designation text. If any changes to the legal framework are needed as a result of this consultation, these will be consulted upon after BETTA go-active.
- 3.8. Ofgem/DTI anticipate that a mini-consultation will be produced on any further changes identified as being required to operational liaison including for black start and islanding procedures in Scotland and safety co-ordination arrangements.
- 3.9. Ofgem/DTI are awaiting a proposal for Electrical Standards from the Scottish transmission licensees. The inclusion of these standards will be consulted on when they are forthcoming.

²⁰ 'BETTA consultation on Non Standard BMU configurations associated with cascade hydro schemes and associated GB Grid Code and GB BSC drafting', 27/07/04, Ofgem#177/04 a and b.

²¹ 'Planning and Operating Standards under BETTA: An Ofgem/DTI consultation document', 12/7/04, Ofgem#156/04 volumes 1 and 2.

Appendix 1 Respondents to consultation on the transition to the GB CUSC and GB Grid Code

1.1 The six parties who responded to the Ofgem/DTI publication²² issued on 6 July 2004, of a consultation on the transition to the GB CUSC and GB Grid Code were:

- ◆ BETTA Review Group
- ◆ e.on UK
- ◆ National Grid Transco
- ◆ Scottish and Southern Energy
- ◆ Scottish Power energy management
- ◆ SP Transmission Limited

²² See footnote 11.