

Change proposal:	Grid Code A/11: Black Start: Amendments to Grid Code resulting from BSC modification P231		
Decision:	The Authority ¹ directs that the proposed change to the Grid Code ² be made		
Target audience:	National Grid Electricity Transmission PLC (NGET), Grid Code users and other interested parties		
Date of publication:	05 August 2011	Implementation Date:	12 August 2011

Background to the change proposal

A Black Start refers to the recovery process for restoring electricity on the National Electricity Transmission System (NETS) following either a Partial or Total Shutdown of the NETS³. Section G of the Balancing and Settlement Code (BSC) (paragraph 3) sets out the consequences of NGET signalling, in accordance with the Grid Code (Operating Code (OC) 9.4), that there has been a Partial or Total Shutdown and that a Black Start is needed, including:

- the suspension of the operation of the Balancing Mechanism (BM) and the application of a Single Imbalance Price during the Black Start period; and
- the arrangements for providing generators who are given Emergency Instructions⁴ under the Grid Code during the Black Start period with compensation to which they may be entitled for any Avoidable Costs.

The arrangements and obligations associated with a Black Start event were made more transparent within the BSC by modification P231 which was approved⁵ by the Authority on 25 June 2009 and implemented on 5 November 2009. Modification P231 introduced the following improvements to the transparency of the Black Start arrangements:

- clarification in the BSC of when a Black Start period commences (on NGET's declaration of the Settlement Period when the Partial or Total Shutdown commenced)
- additional text in the BSC setting out the key steps to be taken so that the BSC Panel can determine the Settlement Period when normal market operations apply following a Black Start period; and
- clarification in the BSC of the credit default provisions so that the value of Energy Indebtedness⁶ is set to zero to ensure that Parties cannot incur any indebtedness during the Black Start period.

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ Under extreme conditions (e.g. multiple circuit tripping during severe weather), parts of the NETS could become disconnected from the main system, or islanded. In addition, a Partial Shutdown could occur where all generation has ceased in an island, or a Total Shutdown could occur where all generation has ceased in the total system and there is no electricity supply from external Interconnectors (see Grid Code (Operating Code (OC) 9.1.1 and 9.4)).

⁴ An Emergency Instruction has the meaning given to that term in the Grid Code.

⁵ The Authority's decision letter regarding modification P231 appears on the Ofgem website at:

<http://www.ofgem.gov.uk/Licensing/ElecCodes/BSCCode/BSC/Documents1/P231D1.pdf>

⁶ Energy Indebtedness is defined in the BSC.

A new BSC Procedure (BSCP) 201 was developed to include more detailed guidance for market participants on the Black Start recovery process accompanied by explanatory process diagrams. The Panel would keep BSCP201 under regular review.

The change proposal

As a result of the changes made to the BSC by modification P231, NGET proposed a number of further changes to the Grid Code in February 2011 and raised these as Grid Code change A/11. The proposed changes were sent for industry consultation in May 2011. NGET proposes that:

- in OC 9.4.6, there is clarification that it is NGET that would determine the time and date from which the Partial Shutdown or Total Shutdown would commence for a Black Start event. NGET would notify Elexon (the BSC Company (BSCCo⁷)) of this and Elexon would use this information to determine from which Settlement Period the BM would be suspended under the BSC
- a paragraph is added to OC 9.4.7.9 to ensure that Grid Code users provide Physical Notifications (PNs) ten hours before the return of the market to normal operation. This would allow NGET, as the System Operator, to despatch parties to their intended position. Parties not providing PNs would risk exposure to Imbalance Charges under the BSC
- some minor housekeeping changes are made to OC 9.4.7.9 to correct typographical errors.

All three responses to NGET's industry consultation supported Grid Code change A/11.

NGET's recommendation

NGET submitted its final report to the Authority on Grid Code change A/11 on 1 July 2011. NGET recommended that A/11 is approved and that it better facilitates Grid Code objectives (i) permitting the development, maintenance and operation of an efficient, co-ordinated and economical transmission system, and (iii) promoting the security and efficiency of the generation, transmission and distribution systems.

The Authority's decision

The Authority has considered the issues raised by the change proposal and in the final Report dated 1 July 2011. The Authority has considered and taken into account the responses to NGET's consultation on the change proposal which are included in the final Report⁸. The Authority has concluded that:

1. implementation of the change proposal will better facilitate the achievement of the objectives of the Grid Code⁹; and
2. approving the change is consistent with the Authority's principal objective and statutory duties¹⁰.

⁷ Elexon is the BSCCo under the BSC. More information about its powers and duties are available in the BSC (Section C) on Elexon's website: <http://www.elexon.co.uk/>

⁸ Grid Code proposals, final reports and representations can be viewed on NGET's website at: <http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/>

⁹ As set out in Standard Condition C14(1)(b) of NGET's Transmission Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=14343

Reasons for the Authority's decision

We note the unanimous support for proposed change A/11 from industry respondents.

Grid Code Objective (i) permit the development, maintenance and operation of an efficient, co-ordinated and economical transmission system

The aim of the proposed change is to align the provisions in the Grid Code Operating Code with the BSC after the change made by modification P231. By ensuring consistency between the two codes, there is clarity around the roles to be performed by NGET, Elexon and users with regard to the determination of the start of a Black Start period and the actions that follow. The avoidance of confusion around these roles improves the transparency of the Grid Code provisions and allows for better co-ordination when a Black Start period occurs and prior to the resumption of normal operations in respect of PNs by users.

We therefore agree that the proposed change would better facilitate this objective.

Grid Code Objective (iii) promote the security and efficiency of the generation, transmission and distribution systems

We agree that the alignment of provisions between the Grid Code and the BSC regarding Black Start will ensure the overall security and efficiency of the transmission system. All affected parties will become fully aware of their roles in the event of a Black Start and their actions should assist NGET to operate a secure system as a result.

We therefore agree that the proposed change would also better facilitate this objective.

Actions subsequent to the approval of P231

Our P231 decision letter highlighted a number of wider issues surrounding Black Start events that need to be explored further, e.g. the meaning of what constitutes 'normal market operations' in relation to a Black Start. We note that NGET recently raised a BSC issue (Issue 42¹¹) to address one such concern, namely, the definition of a local shutdown. We would continue to encourage NGET, Elexon and the wider industry to discuss these issues and develop appropriate solutions where these are required. However, this does not affect our decision to direct the implementation of change proposal A/11.

Decision notice

In accordance with Standard Condition C14 of NGET's Transmission Licence, the Authority, hereby directs that change proposal Grid Code A/11: '*Black Start: Amendments to Grid Code resulting from BSC modification P231*' be made.

Hannah Nixon

Partner, Smarter Grids and Governance

Signed on behalf of the Authority and authorised for that purpose

¹⁰The Authority's statutory duties are wider than matters which NGET must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.

¹¹ Details about Issue 42 are available on the Elexon website: <http://www.elexon.co.uk>.