

Change proposal:	<b>Grid Code B/11: Provisions for Electronic Communication of System Warnings between NGET and users</b>		
Decision:	The Authority <sup>1</sup> directs that the proposed change to the Grid Code <sup>2</sup> be made		
Target audience:	National Grid Electricity Transmission PLC (NGET), Grid Code users and other interested parties		
Date of publication:	25 October 2011	Implementation Date:	To be confirmed by NGET

## Background to the change proposal

NGET may issue different kinds of system warnings to users in general or certain users in particular to relay information about system conditions or events, for example, alerting them to plant shortages or demand reductions. The method by which system warnings are communicated to users is set out in the Operating Code (OC) of the Grid Code.

In particular, OC7.4.8.3 (c) states that NGET shall issue system warnings by fax or by using such electronic data transmission facilities as are agreed with users. In the case of generators, these facilities are to be located at their Trading Point<sup>3</sup>. The wording suggests that fax is the primary means of communicating system warnings. Where a system warning is issued by telephone or by another means, the Grid Code (OC7.4.8.3 (d)) provides that confirmation of that warning can only be given by fax.

NGET currently uses its Operational Broadcast System (OBS) to deliver a combination of telephone and fax notifications of system warnings. However, NGET notes that the OBS has reached the end of its serviceable life and it is currently considering how to replace it. In the meantime, NGET is using manual telephone and fax processes to issue warning notifications whenever the OBS can no longer be used.

## The change proposal

Grid Code change B/11 was raised by NGET with the Grid Code Review Panel (GCRP) in May 2011. An industry consultation was issued which closed in June 2011. B/11 would amend the Grid Code to remove specific references to the use of fax in both OC7.4.8.3 (c) and (d) regarding the issue of system warning notifications to users and where confirmation is sent to users after a prior notification by telephone or other means. In NGET's view, the removal of these references has two benefits:

- there is greater flexibility in the means of communication both of system warning notifications and of confirmation of notifications which the current Grid Code wording limits, primarily or solely, to fax
- the development of a replacement for OBS which provides another electronic means of communicating system warnings is facilitated if the specific references to fax are removed.

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

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

<sup>3</sup> A Trading Point can be a commercial or operational interface between the generator and NGET as agreed by them.

## **NGET's recommendation**

In NGET's view, the removal of the specific references to fax would increase its flexibility to issue notifications by whatever means are agreed with users, including fax, and allow it to develop a replacement for OBS which uses appropriate forms of electronic data transmission in the future. NGET notes that any replacement for OBS would be developed with the agreement of users to achieve the most effective solution. In NGET's view, B/11 would assist it in developing a more efficient communication facility, thereby better facilitating Grid Code objective (iii).

## **The Authority's decision**

The Authority has considered the issues raised by the change proposal and in the final Report dated 20 September 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 Report<sup>4</sup>. The Authority has concluded that:

1. implementation of the change proposal will better facilitate the achievement of the objectives of the Grid Code<sup>5</sup>; and
2. approving the change is consistent with the Authority's principal objective and statutory duties<sup>6</sup>.

## **Reasons for the Authority's decision**

We agree with NGET and all the respondents to the B/11 consultation that the proposal would better facilitate the Grid Code objectives. We state our views against the relevant objective below.

*Grid Code objective (iii) 'to promote the security and efficiency of the electricity generation, transmission and distribution systems in the national electricity transmission system operator area taken as a whole'*

We agree that the proposal would better facilitate this objective.

We note NGET's view that there is a lack of flexibility in the current Grid Code wording regarding the use of fax to notify, and confirm, system warnings to users. We agree with NGET and respondents that the re-wording of the Grid Code to remove specific references to fax would provide greater flexibility in the means of communication both of system warning notifications and of confirmation of notifications. However, we also expect NGET and users to agree an appropriate means of communicating system warnings.

We note that some respondents stress the need for NGET to agree with users an appropriate replacement for the OBS which is more effective in cost and operational terms. We would encourage NGET to explore its options and welcome its commitment to work with users to find a suitable replacement solution which takes into account both the needs of NGET and users so that the interface between the parties is delivered efficiently.

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<sup>4</sup> Grid Code proposals, final reports and representations can be viewed on NGET's website at:

<http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/>

<sup>5</sup> 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](http://epr.ofgem.gov.uk/document_fetch.php?documentid=14343)

<sup>6</sup> The 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.

## **Decision notice**

In accordance with Standard Condition C14 of NGET's Transmission Licence, the Authority, hereby directs that change proposal Grid Code B/11 *'Provisions for Electronic Communication of System Warnings between NGET and users'* be made.

**Declan Tomany**

**Associate Partner Legal**

Signed on behalf of the Authority and authorised for that purpose