

Modification proposal:	Grid Code Modification 0033: Offshore Wind farms not connected to an Offshore Transmission System		
Decision:	The Authority ¹ directs that the proposed modification 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:	18 October 2013	Implementation Date:	5 November 2013

Background to the modification proposal

In July 2011, Elexon³ (the BSCCo) submitted a paper to the Grid Code Review Panel (GCRP) identifying issues with the drafting of a number of offshore related definitions in the Grid Code. The definitions were included in the Grid Code in 2009, as part of the modifications required to implement the Offshore Transmission Regime⁴. The 2009 modifications, amongst other things, allow intermittent offshore generators connected by Offshore Transmission Systems (transmitting at 132kV or above) to be defined as Offshore Power Park Modules.

This allows several turbines to be grouped together, rather than being accounted for individually under the Grid Code rules. This has benefits in terms of the way the wind farm can operate in the wholesale trading arrangements⁵. It also means the wind farm can report certain data required by the Grid Code, collectively rather than individually⁶. Thus, an unnecessary administrative burden on the wind farms is removed.

However, the drafting of the earlier modifications had the unintended consequence of excluding offshore wind farms not connected to an Offshore Transmission System (i.e. connecting at voltages below 132kV) from the Grid Code definition of Power Park Module. This means that these wind farms do not receive the benefits associated with being defined as Power Park Modules, as outlined above.

The modification proposal

To address these unintended consequences, National Grid Electricity Transmission (NGET) proposed Grid Code modification GC0033. The modification proposes to extend the definition of Onshore Power Park Module to apply to offshore wind farms not connected to an Offshore Transmission System. Onshore Power Park Modules and

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 Elexon is the Balancing and Settlement Code Company (BSCCo) which administers the wholesale electricity balancing and settlement arrangements. More information about Elexon is available on its website: www.elexon.co.uk

⁴ On 24 June 2009 (the Offshore Transmission Go Active Date), the Secretary of state directed changes to the Grid Code to implement new arrangements for Offshore Transmission Systems.

⁵ It allows several generators in the wind farm to constitute one Balancing Mechanism Unit (BM Unit). Balancing Mechanism (BM) Units are used as units of trade within the Balancing Mechanism. Each BM Unit accounts for a collection of plant and/or apparatus (source - Elexon).

⁶ It allows the wind farm to be defined as a Large Power Station, which means it can constitute one Genset⁶ for the purposes of reporting data under Grid Code section Operating Code 2 (OC2).

Offshore Power Park Modules would therefore be differentiated not by their location (i.e. whether the generation is located onshore or offshore) but by reference to where the wind farm connects to the transmission system (i.e. the point at which the generation is connected at 132kV or above).

The modification would require changes to the definition of Onshore Power Park Module in the Glossary and Definitions section of the Grid Code⁷. The revised definition would refer to Non-Synchronous Generating Units (rather than Onshore Generating Units as currently) that are connected directly to the Onshore Transmission System (or User System if they are embedded). This essentially means that this definition is extended to cover wind farms that are not connected to an Offshore Transmission System.

NGET's recommendation

NGET considers that modification GC0033 better facilitates objectives (i) and (ii), as outlined in the report⁸.

Respondents' views

Three responses were received. All were in favour of the modification.

The Authority's decision

The Authority has considered the issues raised by this modification and the final report from NGET⁹. The Authority has considered and taken into account the responses to NGET's consultation on the modification which are included in the final report. The Authority has concluded that:

1. implementation of the modification proposal will better facilitate the achievement of the objectives of the Grid Code¹⁰; and
2. approving the modification is consistent with the Authority's principal objective and statutory duties¹¹.

Reasons for the Authority's decision

In our view, the removal of this burden should facilitate Grid Code objectives (i), (ii) and (iv) for the reasons given below, and is in line with the Authority's principal objective. We consider that the proposal has no impact on Grid Code objective (iii).

Applicable Objective (i) 'to permit the development, maintenance and operation of an efficient, coordinated and economical system for the transmission of electricity'

NGET considers that GC0033 facilitates this objective by removing an "unintended and potentially onerous administrative burden on Generators and NGET"¹².

We note that the current Grid Code arrangements imply that offshore wind farms not connected to an Offshore Transmission System need to register each turbine within the

⁷ Based on Grid Code Issue 5 Revision 4.

⁸ P. 9-10 of the final report. 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 Ibid.

¹⁰ 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

¹¹ 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.

¹² As outlined in the final report.

wind farm as a separate BM Unit under the BSC¹³ and thus submit data on balancing for each turbine. The current definition also implies that Operating Code (OC2) data should be reported separately for each turbine. This level of reporting is unnecessary and inefficient, as this data can be reported for the wind farm as a whole.

The modification seeks to fulfil the original intent of how the term Power Park Module should be applied, and reduces the administrative burden on both generators and NGET for both how data is reported under OC2 and how energy from such wind farms is traded through the balancing arrangements. We agree that this change should improve the efficiency of the operation of the transmission system and therefore better facilitate this objective.

Applicable Objective (ii) 'to facilitate competition in the generation and supply of electricity (and without limiting the foregoing, to facilitate the national electricity transmission system being made available to persons authorised to supply or generate electricity on terms with neither prevent nor restrict competition in the supply or generation of electricity)'

NGET considers that the GC0033 supports this objective by allowing the benefits of Power Park Modules to be extended to users that were unintentionally excluded. We agree that this objective is better facilitated. We consider that the modification helps remove an unnecessary asymmetry between the administrative burdens imposed on different types of offshore wind farms. This allows offshore wind farms not connected to an Offshore Transmission System to compete on a more equal basis to those that are.

Applicable Objective (iv) 'to efficiently discharge the obligations imposed upon the licensee by its licence and to comply with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency'

NGET considers that the modification is neutral in relation to this objective. However, we consider that GC0033 will better facilitate the first clause of this objective. By reducing the administrative burden on NGET to receive data on offshore wind farms not connected to an Offshore Transmission System, the modification improves the efficiency of how the licensee discharges its reporting obligations for section OC2 of the Grid Code¹⁴.

Decision notice

In accordance with Standard Condition C14 of NGET's Transmission Licence, the Authority, hereby directs that change proposal Grid Code GC0033 '*Offshore Wind farms Not Connected to an Offshore Transmission System*' be made.

The report on GC0033 recommends an implementation date for the modification of 10 business days after our decision. However, to ensure the efficient implementation of a number of Grid Code modifications we are approving¹⁵, and following discussion with NGET, we direct that GC0033 is implemented on 5 November 2013.

Min Zhu

Associate Director, Offshore Transmission

Signed on behalf of the Authority and authorised for that purpose

¹³ BSC section K 3.1.4(a) refers.

¹⁴ In compliance with the licensee's obligations under Condition 5 of the Electricity Generation Licence

¹⁵ We are also making decisions to approve GC0071, GC0072 and GC0073 at the same time.