

All Transmission System Operators  
and all interested parties and  
stakeholders.

Direct Dial: 0203 263 2764  
Email: Leonardo.Costa@ofgem.gov.uk

21 June 2019

Dear colleague,

**Our<sup>1</sup> decision to assign Transmission System Operator (TSO) obligations under the COMMISSION REGULATION (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration.**

This letter sets out our decision on assigning the responsibility to comply with new obligations under the emergency and restoration code (NCER) to the GB TSOs that are currently operational in GB. Under Article 2(7) of NCER, where a TSO, in a Member State that has more than one TSO, does not have a function relevant to one or more obligations under this Regulation, Member States may assign TSO obligations under NCER to one or more specific TSOs<sup>2</sup>. We will be assigning the responsibility to comply with these obligations because it is our view that not all GB TSOs currently have all these functions.

Where possible, we have based our approach to assigning TSO responsibilities for NCER on the process taken with the capacity allocation and congestion management (CACM) Regulation<sup>3</sup>, with the forward capacity allocation (FCA) Regulation<sup>4</sup>, the electricity transmission system operation (SOGL) Regulation<sup>5</sup> and the electricity balancing guideline (EBGL)<sup>6</sup>.

**Consultation responses**

Following the publication of our minded to position on the NCER allocation of responsibilities<sup>7</sup> on 10 January 2018, we received feedback at a stakeholder workshop in 2018 and subsequent email

---

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

<sup>2</sup> The Department for Business, Energy & Industrial Strategy has written to Ofgem to clarify that in its view the most appropriate route for assigning TSO obligations is for Ofgem to work with stakeholders and then to enact those changes through changes in licences.

<sup>3</sup> Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management. Our decision letter is here: <https://www.ofgem.gov.uk/publications-and-updates/decision-our-consultations-assignment-transmission-system-operator-obligations-under-capacity-allocation-and-congestion-management-regulation-within-gb>

<sup>4</sup> Commission Regulation (EU) 2016/1719 establishing a guideline on forward capacity allocation. Our decision letter is here: <https://www.ofgem.gov.uk/publications-and-updates/decision-our-consultation-assignment-transmission-system-operator-obligations-under-requirements-generators-demand-connection-high-voltage-direct-current-and-forward-capacity-allocation-regulations-within-gb>

<sup>5</sup> Commission Regulation (EU) 2017/1485 establishing a guideline on electricity transmission system operation. Our decision is here: <https://www.ofgem.gov.uk/publications-and-updates/decision-assignment-transmission-system-operator-obligations-under-guideline-electricity-transmission-system-operation-regulation-within-gb>

<sup>6</sup> Commission Regulation (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (EBGL) within GB. Our decision is here: <https://www.ofgem.gov.uk/publications-and-updates/decision-assignment-transmission-system-operator-obligations-under-guideline-electricity-balancing-regulation-within-gb>

<sup>7</sup> Available at

[https://www.ofgem.gov.uk/system/files/docs/2018/02/open\\_letter\\_setting\\_out\\_minded\\_to\\_decision\\_tso\\_obligations\\_ebgl\\_er\\_soql\\_final2.pdf](https://www.ofgem.gov.uk/system/files/docs/2018/02/open_letter_setting_out_minded_to_decision_tso_obligations_ebgl_er_soql_final2.pdf)

correspondence with stakeholders. The key issues raised are summarised in Annex 1, along with our response.

### **Our approach to assigning TSO obligations**

The final decision as set out in Annex 2 is based upon our application of the multiple TSO clause and GB TSOs' current functions as set out in their licences.

### **Our decision**

Our decision for each sub group of TSOs is set out in Annex 2. Annex 1 sets out the key points raised at the stakeholder workshop in January and the decisions we have made in those relevant areas. Alongside this decision letter, we are publishing a subsidiary document that breaks down the TSO responsibilities between articles, in line with the process we followed for CACM.

### **Decision not to undertake an Impact Assessment**

We have considered whether we need to undertake an Impact Assessment as part of our decision on the assignment of the responsibilities on TSOs to fulfil various obligations under NCER. We do not consider it necessary to perform an Impact Assessment because:

- This decision is not 'important' as defined under s5A of the Utilities Act. In particular, it does not change TSO obligations, which are defined under the NCER, but rather reflects GB TSOs' roles and functions under their licences.

### **Future changes to GB TSO obligations under NCER**

It is possible that a review of this assignment of responsibilities in the future is needed to ensure that they continue to remain relevant to the overall GB regulatory framework. The non-exhaustive list below sets out our expectation on some key scenarios that may prompt such a review:

- **The development of the terms and conditions and methodologies.** NCER requires TSOs to develop a number of terms and conditions and methodologies. We expect these terms and conditions and methodologies to reflect the relevant function as set out in this assignment. We consider that a further review of obligations will only occur if one or more TSOs provide clear evidence that the original assignment does not reflect an enduring relevant function. The TSO will also need to prove that to keep the obligation will cause an additional burden upon the TSO as well as unnecessary costs to the consumer.
- **When a new TSO becomes operational / there is a change in TSO activity.** If a TSO believes it does not have a relevant function to one or more of the obligations as set out in the attached ancillary document for its subgroup, then we consider that it is the responsibility of that TSO to notify us and provide evidence for this view.
- **Amendments to the regulations.** It is our view that where amendments are made to the NCER, the TSOs shall provide justifications for a review based upon the effect that those changes had in their relevant function and as a consequence on the assignment of obligations.

In all the above cases it will be our decision, based upon the evidence provided, whether to instigate a review (including consultation), which may lead to a change in the assignment of obligations for GB TSOs.

If you have any queries regarding the information contained within this letter, please contact Jordan Clarke at [Jordan.clarke@ofgem.gov.uk](mailto:Jordan.clarke@ofgem.gov.uk).

Yours faithfully

Leonardo Costa  
Senior Manager, SO Regulation

## Annex 1 – Summary of key considerations and changes.

Relevant Article	What the Article states	Decision	Change to Current Allocation?	Comments
A.3	Definitions	No obligation	No	No obligation on TSO's. Consistent with EBGL.
A.6(3)	By [12 months after the entry into force of this Regulation], each TSO shall transmit the measures referred to in paragraph 1 to the relevant RSC(s) set up pursuant to Article 77 of Regulation (EU)2017/XXX [SO GLs]. Within 3 months from the submission of the measures, the RSC(s) shall produce a technical report on the consistency of the measures based on the criteria set out in paragraph 2. Each TSO shall ensure the availability of its own skilled experts to assist the RSC(s) in preparing this report.	All TSOs	No	Will remain an all TSO obligation.
A.6(5)	All TSOs of each capacity calculation region shall agree on a threshold above which the impact of actions of one or more TSOs in the emergency, blackout or restoration states is considered significant for other TSOs within the capacity calculation region.	SO	Yes	The SO has responsibility in such events.
A.15(6)	Each TSO or DSO shall install the relays necessary for low frequency demand disconnection taking into account at least load behaviour and dispersed generation.	OFTO,TO & I/C	No	Will remain an OFTO, TO & I/C obligation.
A.15(7)	When implementing the scheme for the automatic low frequency demand disconnection pursuant to the notification under Article 12(2), each TSO or DSO shall:	OFTO,TO & I/C	Yes	Should be aligned with paragraph 6.
A.15(7a)	avoid setting an intentional time delay in addition to the operating time of the relays and circuit breakers;	OFTO,TO & I/C	Yes	As above
A.15(7b)	minimise the disconnection of power generating modules, especially those providing inertia; and	OFTO,TO & I/C	Yes	As above
A.15(7c)	limit the risk that the scheme leads to power flow deviations and voltage deviations outside operational security limits.	OFTO,TO & I/C	Yes	As above
A.41(1)	Each DSO and SGU identified in accordance with points (b) and (c) of Article 23(4), each restoration service provider and each TSO shall have a voice communication system in place with sufficient equipment redundancy and backup power supply sources to allow the exchange of the information needed for the restoration plan for at least 24 hours, in case of total absence of external electrical energy supply or in case of failure of any individual voice communication system equipment. Member States may require a minimum backup power capacity higher than 24 hours.	All TSOs	No	Will remain an all TSO obligation.
A.41(2)	Each TSO shall establish, in consultation with the DSOs and SGU identified in accordance with Article 23(4) and with restoration service providers, the technical requirements to be fulfilled by their voice communication systems as well as by the TSO's own voice communication system in order to allow their interoperability and to guarantee that the TSO's	All TSOs	No	Will remain an all TSO obligation.

	incoming call can be identified by the other party and answered immediately.			
A.42(1)	Each TSO shall make available critical tools and facilities referred to in Article 24 of Regulation (EU) 2017/XXX [SO GLs] for at least 24 hours in case of loss of primary power supply.	All TSOs	No	Will remain an all TSO obligation.
A.42(3)	Each TSO shall have at least one geographically separate backup control room. The backup control room shall include at least the critical tools and facilities referred to in Article 24 of Regulation (EU) 2017/XXX [SO GLs]. Each TSO shall arrange a backup power supply for its backup control room for at least 24 hours in case of loss of primary power supply.	TO & SO	No	Will remain a TO/SO obligation.
A.47	Each DSO and TSO shall execute testing on the low frequency demand disconnection relays implemented on its installations, within a period to be defined at national level and following the methodology laid down in Article 37(6) and Article 39(5) of Regulation (EU) 2016/1388.	TO & SO	No	Will remain a TO/SO obligation.
A.48(1)	Each DSO and SGU identified pursuant to Article 23(4), each TSO and each restoration service provider shall test the communication systems defined in Article 41, at least every year.	All TSOs	No	Will remain an all TSO obligation.
A.49(1)	Each TSO shall test the capability of main and backup power sources to supply its main and backup control rooms, provided for in Article 42, at least every year.	TO & SO	No	Will remain a TO/SO obligation.
A.52(3)	Relevant TSOs shall submit to ENTSO for Electricity the information required to perform the tasks referred to in paragraphs 1 and 2.	All TSOs	Yes	This should apply to all TSOs involved in this regulation. It will also ensure consistency with both CACM and FCA.