

Modification proposal:	<b>Distribution Code:</b> DCRP/GC106: Implementation of the EU NC System Operation Guidelines and modifications to the Distribution Code, Engineering Recommendation G83 and G98.		
Decision:	The Authority <sup>1</sup> has decided to approve <sup>2</sup> this modification		
Target audience:	Distribution licensees, Distribution Code Review Panel, distribution network users and other interested parties		
Date of publication:	08 March 2019	Implementation date:	14 March 2019

## Background

EU Commission Regulation 2017/1485, the Transmission System Operation Guideline (the SOGL Regulation) entered into force on 14 September 2017. Articles 40-53 of the SOGL set out the data exchange requirements and common framework for data exchange between parties in order to ensure operational security during planning timescales and close to real time. Article 40(6) requires an all-TSO pan-European proposal on Key Organisational Requirements, Roles and Responsibilities (KORRR) relating to data exchange to be developed. The KORRR sets out how these data exchanges will be organised and determined, in particular on parties' different roles and responsibilities. The Authority approved the KORRR proposal on 18 January 2019.

This modification proposal seeks to ensure that the data exchange provisions within the Distribution Code are compliant with the requirements of the SOGL Regulation and of the KORRR.

## The modification proposal

DCRP/GC0106 was raised by the Energy Networks Association (the proposer) on 27 April 2018. The final DCRP/GC0106 proposal was presented to the Distribution Code Review Panel (DCRP) on 6 December 2018. The panel decided to send the proposal to a workgroup to develop and assess the proposal against the Distribution Code objectives. A workgroup considered the implications of Articles 40-53 of the SOGL Regulation on both the Distribution Code and the Grid Code. The proposed changes<sup>3</sup> to the Grid Code will be covered within a separate decision letter by the Authority. Both code modifications aim to ensure compliance with the SOGL and although they have been assessed by a joint working group, they will be treated separately in two autonomous decisions.

The proposed changes to the Distribution Code are summarised as follows:

- Update EREC G83 and EREC G98 to include capturing all of the necessary prime energy sources that the DNOs need to report, in order to align with Article 43(5) of the SOGL Regulation.
- Update DPC8.3.2 of the Distribution Code to give Users the right to request data from the DNO, in order to align with Article 5 of the KORRR.

<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<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> Grid Code modification GC106: 'Data exchange requirements in accordance with Regulation (EU) 2017/1485 (SOGL)'

## **Distribution Code Review Panel (DCRP) comments and licensee recommendation**

At the DCRP Panel meeting on 6 December 2018, the DCRP considered that the modification proposal would better facilitate the Distribution Code objectives and therefore recommended its approval.

### **Our decision**

We have considered the issues raised by the modification proposal and in the Final Modification Report (FMR) dated 24 December 2018. We have considered and taken into account the responses to the consultation(s) on the modification proposal which are included in the FMR.

We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the Distribution Code<sup>4</sup>; and
- approving the modification is consistent with our principal objective and statutory duties.<sup>5</sup>

### **Reasons for our decision**

We have concluded that the implementation of the modification proposal will better facilitate Distribution Code objective (c), and has a neutral impact on the other applicable objectives.

***(c) “Efficiently discharge the obligations imposed upon DNOs by the Distribution Licence and comply with the Regulation (where Regulation has the meaning defined in the Distribution Licence) and any relevant legally binding decision of the European Commission and/or Agency for the Co-operation of Energy Regulators”***

We agree with the proposer and the DCRP that the modification will better facilitate this objective. The proposed changes are necessary in order to achieve compliance with the requirements of the SOGL Regulation and of the KORRR, as the Distribution Code does not currently detail the requirement to capture all of the necessary prime energy sources that DNOs need to report on, as well as providing users the right to request data from DNOs. The proposed changes should facilitate the efficient implementation of the appropriate actions.

### **Decision notice**

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<sup>4</sup> As set out in Standard Condition SLC 21.4 of the Electricity Distribution Licence available at: <https://epr.ofgem.gov.uk//Content/Documents/Electricity%20Distribution%20Consolidated%20Standard%20Licence%20Conditions%20-%20Current%20Version.pdf>

<sup>5</sup> The Authority’s statutory duties are wider than matters which the Panel and licensees must take into consideration and are largely provided for in statute, principally in this case the Electricity Act 1989. Our statutory duties can be found in Our Strategy at: [https://www.ofgem.gov.uk/sites/default/files/docs/2014/12/corporate\\_strategy\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2014/12/corporate_strategy_0.pdf)

In accordance with SLC 21.11 of the Electricity Distribution Licence, the Authority hereby directs that the modification to the Distribution Code set out in the FMR to the Authority be made.

**Louise van Rensburg**

**Interim Deputy Director SO and Whole Systems – Systems & Networks**

Signed on behalf of the Authority and authorised for that purpose