

Distribution Code Consultation DCRP/18/09/PC

Title: National Grid Legal Separation changes to the Distribution Code

DCRP_18_05_05

Target Audience: The proposal to modify the Distribution Code (DCode) to reflect the creation of a new National Grid Electricity System Operator (NGESO) that is legally separated from National Grid Electricity Transmission Limited (NGET) will be of interest to Distribution Network Operators and all parties who currently interact with NGET.

Date Published: 10 August 2018

Deadline for responses: 31 August 2018

Summary

This Distribution Code public consultation is seeking the views from industry stakeholders on the modification to both the 'DCode' and the 'Constitution and Rules of the DCode Review Panel'.

1. Introduction

To amend the DCode to ensure that it is aligned with the legal separation of the system operator and transmission owner within National Grid Group on 1st April 2019. The main change will be the amendment of the 'NGC' (National Grid Electricity Transmission plc) role.

The Constitution and Rules of the DCode Review Panel will also require updating to align with the legal separation of the system operator and transmission owner roles.

The specific references have been updated in order to ensure the System Operator and Transmission Owner obligations are clear.

Although this modification proposal does not directly impact other industry codes, other modifications to industry codes (BSC, CUSC, DCUSA, Grid Code, SQSS and STC) are being raised in parallel to this modification proposal as a result of creating a legally separate System Operator.

2 Analysis and Proposal

The modification of the DCode and the Constitution and Rules of the DCode Review Panel with the following proposed changes:

DCode:

Within the DCode it is proposed to amend 'NGC' to 'NGET' and this will be the NGET transmission owner role post legal separation and a new defined role will be created for 'NGESO' for the system operator business. The DCode references will be edited throughout the DCode, to highlight changes from 'NGC' to either 'NGET' or 'NGESO' as applicable.

The proposed defined terms for the 'Offshore Transmission System Operator', 'Offshore Transmission Licensee' and the 'Onshore Transmission Licenses' have been highlighted in this consultation to provide a view of the high level approach being taken in the DCode. We

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have also tried to reduce the number of geographical differences in the DCode, so that the Onshore Transmission Licensee role is more consistent.

Offshore Transmission System Operator (OTSO)	The NGESO acting as operator of an Offshore Transmission System .
Offshore Transmission Licensee	The holder of a licence granted under Section 6 (1)(b) of the Act excluding NGET , NGESO , SPT and SHETL .
Onshore Transmission Licensees	NGET , SHETL and SPT

Constitution and Rules of the DCode Review Panel:

The Constitution and Rules of the DCode Review Panel will require the role of 'NETSO' to be amended to 'NGESO'.

3 Applicable Distribution Code Objectives

The Applicable Distribution Code Objectives are to:

- a) permit the development, maintenance, and operation of an efficient, co-ordinated, and economical system for the distribution of electricity
- b) facilitate competition in the generation and supply of electricity
- c) efficiently discharge the obligations imposed upon distribution licensees by the distribution licences and comply with the Regulation and any relevant legally binding decision of the European Commission and/or the Agency for the Co-operation of Energy Regulators
- d) promote efficiency in the implementation and administration of the Distribution Code

4 Consultation Questions

4.1 Do you agree that the proposed amendments achieve the Distribution Code Objectives?

4.2 Do you agree with the proposed text contained in the draft legal text for the DCode and the Constitution and Rules of the DCode Review Panel, or do you have any alternatives to propose?

4.3 Are you comfortable with the approach taken to reduce the number of geographical differences in the DCode, so that the 'Onshore Transmission Licensee' role is more consistent i.e. the amendments made to the DCode Clause 'DOC9.4.1.5' on the Black Start process?

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5. Next Steps

Responses to this consultation should be sent to the Distribution Code Review Panel Secretary at dcode@energynetworks.org by **17:00 31st August 2018** on the proforma provided expressly for the purpose. Responses after this date may not be considered.

6. Consultation Pack

- Consultation Paper
- Draft legal drafting for both the DCode and the Constitution and Rules of the DCode Review Panel showing the proposed changes
- Proforma comment form

For more information, please contact:

David Spillett – Code Administrator

dcode@energynetworks.org