
Issue 100 Workgroup 1 Summary

Summary

1 Welcome and Meeting Objectives

The Chair welcomed attendees and presented the following meeting objectives to Workgroup Members:

- Consideration of the background to Issue 100
- Consideration of the potential BSC impacts
- Agree areas for further development at future meetings

2 Background – Distributed ReStart

- 2.1 The Workgroup viewed a short video from the [Distributed ReStart](#) page of National Grid Electricity System Operator (NGESO)'s website before the Proposer provided the background on the Distributed ReStart project and explained that distribution connected generation (e.g. solar, wind and hydro, etc.) will be used to help restore power to the transmission network in the unlikely event of a blackout.
- 2.2 Distribution Restoration will be part of the EU Emergency and Restoration Code and will also be part of the wider Electricity System Restoration Standard (ESRS) which needs to be in place by 31 December 2026.

3 Overview of Issue 100

- 3.1 The Proposer explained that they would like the Workgroup to consider any BSC impacts and whether any changes to the Balancing and Settlement Code (BSC), Code Subsidiary Documents (CSDs) and/or BSC systems are required.
- 3.2 The Proposer highlighted that the key questions for the Workgroup to consider are:
- How compensation arrangements could work for Distribution Restoration (as assets within a Balancing Mechanism (BM) Unit not operated by the Lead Party of the BM Unit will be able to provide system restoration) and;
 - What messages between NGESO, Licensed Distribution System Operators (LDSOs), Distributed Energy Resources (DERs) and the Balancing Settlement Code Company (BSCCo) are required to support Distributed Restoration under the BSC.

4 Related Grid Code Modifications

- 4.1 The Proposer briefly explained that there are two Grid Code Modifications, [GC0148: Implementation of EU Emergency and Restoration Code Phase II](#) and [GC0156: Implementation of the Electricity System Restoration Standard](#) which are currently being progressed through the Grid Code Modifications process. The scope of these two Modifications is wider than just embedding Distributed ReStart into the Grid Code. GC0156 is due to be submitted to Ofgem by June 2023 and Workgroup meetings are currently taking place on a monthly basis with seven workstreams in total.

5 BSC impacts and considerations

- 5.1 Elxon explained the existing Black Start arrangements, which are contained within [BSC Section G 'Contingencies'](#) and [BSCP201 'Black Start and Fuel Security Contingency Provisions and Claims Processes'](#), with particular reference to compensation.
- 5.2 The Workgroup were invited to provide their views and thoughts on the possible operation of Distributed ReStart in the BSC, noting that DERs are expected to be providers that are registered within a Supplier's BM Unit and operated by non-BSC Parties.
- 5.3 It was explained that the Workgroup need to consider how (existing) compensation arrangements should apply and the role of LDSOs and DERs in the end-to-end Black Start Process.

- 5.4 A Workgroup Member questioned whether the arrangements also cover “brown-outs” i.e. not a blackout but system issues with frequency and/or voltage (“the lights are on, but flickering”) e.g. local issues in London in August 2019, and whether this falls into Total and/or Partial Shutdown.
- 5.5 A Workgroup Member suggested that interactions with the Capacity Market (CM) will be need to be considered, as the rules state that in a Stress Event the CM provider should run. However, if the network is down or unavailable due to a Black Start event and the CM provider does not run when they are required during the CM Stress Event then they will attract CM Penalty Charges. Therefore settling CM Penalty Charges may become a pressing matter that means that Black Start compensation needs to expedited, e.g. by allowing interim payments. There was discussion on whether interim payments are allowed under the current process and if not this could be considered under Distributed ReStart.
- 5.6 NGESO explained that DERs may be non-Connection and Use of System Code (CUSC) (and non-BSC) Parties. Dispatch instructions will be sent from NGESO to LDSOs. Compensation is currently available to Parties that are subject of a Black Start Instruction from NGESO, but in this case LDSOs are the ones being instructed. Therefore if DERs are to be eligible for compensation then the meaning of Black Start Instruction or the circumstances for providing compensation will need to change. There was consensus for allowing compensation to be claimed by non-Parties.
- 5.7 The Workgroup discussed what may be considered as Avoidable Costs for DERs. A Workgroup Member noted that it may be dependent on the technology. Another Workgroup Member explained that the burden is on the claimant and that the wording of claims for Black Start was written such that it was broad to allow claims to be considered.
- 5.8 A Workgroup Member asked if Elexon could circulate the Black Start high-level overview paper presented to Panel recently.
- 5.9 The Workgroup discussed the need for validation and assurance to ensure that a claim is valid i.e. linked to an instruction and also not claimed by both the DER and the Supplier. This may be supported by ensuring that Black Start Instructions are reported like other Balancing Services and so included in Applicable Balancing Services Volume Data (ABSVD).
- 5.10 It was clarified that a Virtual Lead Party (VLP) can be a DER provider and that sizing is being considered, with a capacity of 2MW.
- 5.11 There was discussion on the interactions between NGESO, LDSOs, DER providers and BSCCo, and it was agreed that the BSC would need to be updated to reflect updates in the Grid Code and Distribution Code. There wasn't a strong demand from the Workgroup for details about Black Start Instructions to be published e.g. on Balancing Mechanism Reporting Service (BMRS).

6 Actions

1. NGESO to confirm if “brown out” is part of Partial and/or Total Shutdown
2. NGESO to confirm the market scenarios which link to Total/Partial Shutdown
3. Elexon to check if the scope of Issue 100 can cover ensuring that all balancing actions (particularly provision of Demand Side Response) are utilised before resorting to a Black Start?
4. Elexon to circulate the high-level Black Start end-to-end process paper presented to the March Panel meeting to Workgroup members
5. Elexon to check if the current compensation arrangements allow for interim payments
6. If not, then the Workgroup would need to consider how interim payments could work
7. NGESO to check (with Matt McGill) to what extent the system restoration rules considered the CM Penalty arrangements