Response to Digitalised Whole System Technical Code Consultation 1

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Q1. What challenges do you have with using the technical codes?

As a company, and as BSCCo, our main challenges with using the technical codes, and In particular the Grid Code, are In the area of code modifications. In addition to interlinked IT systems, there are around 150 references to the Grid Code In the BSC, and around 50 references to the BSC In the Grid Code. The Grid Code modification process does not always take as much account as it could of the impact on other codes or on the need to modify and test interfacing IT systems.

Q2. Where there are challenges, please provide examples of areas where you would like to see change.

We would welcome better consideration of the impact on other codes during the initial phases of change process. It is likely that digitalisation of the codes could help with these issues.

Q3. Are there further advantages and disadvantages of the potential solutions above?

Elexon believe that there Is a need for code rationalisation, and have been saying this for some years now. A single WSTC would be in alignment with Elexon's recommendations.

Code alignment would need to take account of the different physical properties of a broadly Interconnected Transmission System and broadly radial Distribution System. There are likely to be a number of situations where different solutions may be appropriate for the different types of network.

An overarching code in addition to the two existing codes Increases the administrative burden on all parties and Is not an appropriate solution.

Q4. Which of the issues identified in section 2, (or by yourself in answer to Q1) would be addressed by each of the solution options?

We would again point to our belief in the need for code rationalisation.

Q5. Are there additional potential solutions for whole system alignment which could deliver value?

The learning from the WSTC project will help any future work done in line with Elexon's commitment to code rationalisation.

-- OR --

In line with our commitment to code rationalisation, we note the opportunity for similar whole system alignment on the commercial side, specifically with the BSC and the CUSC. We believe that the work that Elexon is currently doing on digitalisation of the BSC and all 400 or so associated documents places us in a good position to lead a similar code merger with the CUSC.

We believe that the need for transparency and perceived independence that created the need for a BSCCo would continue to apply to a merged code, and so believe that a Whole System Commercial Code should not be managed by any part of National Grid Group.

Q6. Are there additional potential solutions for digitalisation which could deliver value?

Elexon are developing a digitalised version of the BSC and associated code documents. Our key focus Is on enhancing the customer experience.

We recognise that maintainability of the system Is a primary requirement, and so we are developing automated solutions that require minimal resource to add or change documents. We recommend using this approach in the digitalisation of the WSTC. It is better to take longer to develop a digitalised solution that can be easily maintained and so continues to provide customers with the most up to date information.

Q7. Which of the potential solution(s) for digitalisation do you see as providing the most benefit?

-- OPTIONAL --

Elexon support the principle of cross code signposting, and this already forms part of our feature backlog in our code digitalisation journey. We would be happy to discuss the development of interfaces between our digital solutions that would improve all our customers' experiences.

-- OR more extreme--

Elexon anticipate that our digitalisation solution will be easily able to ingest other codes and so we would be in a position to provide a cross code solution by incorporating a copy of the WSTC within our suite of digitalised documentation.

Q8. What risks and/or opportunities do you see in digitalising codes in parallel to work on code alignment, potential consolidation, and the Energy Codes Reform programme? Please also share your views on how best to mitigate these risks.

We are taking an Agile approach to developing our solution, and each step forward will be tested against whether it delivers sufficient benefit to our customers to justify the cost of the development.

Our Initial Proof of Concept design has demonstrated that It Is possible to add value to our documents through the application of Natural Language Processing, and we will bring forward Incremental Improvements in the customer experience based on cost benefit cases for each potential development

Q9. Do you think the digitalised codes should be legally binding or for guidance only? Why?

We do not anticipate making the digitalised code legally binding In the first Instance. Parties and the Regulator must have sufficient confidence In the accuracy and reliable performance of an AI based fully digitalised code before AI sourced personalised versions of legal text unique to each Party could be considered legally binding. Even once this confidence is achieved, the issue of liability in the event of an error In the personalisation of the legal text will have to be clearly resolved.

Q10. Do you see value in progressing these work packages independently of the ECR and do you think they should be progressed?

We believe that there is value in progressing digitalisation of legal text independently of the ECR, particularly as the system we are developing is sufficiently flexible that it will be able to cope with changes arising from the ECR.

Q11. Are there other opportunities that could be considered?

-- OPTIONAL --

Digitalisation could support future code consolidation, including a merger of the BSC and the CUSC

Q12. Stakeholders have articulated that there is strong interdependence between options in whole system code consolidation or alignment (Section 3.1), digitalisation (Section 3.2) and the delivery of solutions (Section 3.5). Do you have a preferred combination of these solutions that you see as delivering the best value considering the issues implementing the solutions? Please provide a rationale for your response.

It is not obvious why ESO would digitalise the Distribution Code in isolation when they are not the Code Administrator of that code (solution 3b).

-- OPTIONAL --

Any work on the Distribution Code in isolation, or on a code merger, would need to be dependent on a clear direction from Ofgem that the Distribution Code Code Administration role is being transferred to ESO. This does raise the question as to whether such a transfer would need to be subject to competition.

Q13. Are there other aspects of the project delivery where you see risks and opportunities to mitigate these?

There is a risk to project timescales arising from the high level of complexity associated with seeking to merge two large and highly complex legal documents. The process for agreeing the contents of the new code with Industry needs to be worked though. The volume of support from Industry that will be required needs to be assessed, and commitment from Industry to deliver the resource will be required.

Q14. Do you agree with the key benefits outlined above and can you see other benefits resulting from this project?

Elexon is a member of the Plain English Campaign, and so supports the ambition to use plain English in any changes to the codes. We suggest that ESO could take account of, and share, the learning they acquired from the time the Plain English Campaign was asked to rewrite sections of the Grid Code.

Q15. Do you think that the proposed governance structure will enable delivery of the project? Would you change any aspects? If so, why?

The governance structure does not explain how management reporting lines will work between ESO staff doing the work and ENA management as the Code Administrator of the Distribution Code as appointed by Ofgem.

-- OPTIONAL --

The project does not address the issue of Code Management once the WSTC has been completed. We believe that in line with Ofgem's commitment to competition, the role of Code Manager should be made contestable. We also believe that there is a strong case for full independence of the Code Manager from any of the key parties governed by the WSTC.

Q16. Which elements of the project would you, or your organisation, like to be involved in? If so, please state what capacity, and provide a short description of the perspective and value that you would bring to the project.

Elexon are happy to provide advice on the digitalisation process based on our ongoing experience with the digitalisation of the BSC

Q17. What principles should apply when forming membership and ways of working for the various project groups?
The project should seek to ensure representation from as wide a cross section of the Industry as possible, recognising that many organisations may be impacted by the codes even if they are not direct Users
Q18. What are your views on the proposed Terms of Reference for the steering group?
There could be greater clarity In the ToR and the governance diagram as to where the ultimate responsibility for the programme sits - whether it is with Ofgem / BEIS, the Steering Group or the ESO.
Q19. Do you have further views on how to best include all the relevant perspectives in the governance of the project?
We believe that the proposed membership of the Steering Group covers a reasonable cross section of the main affected parties. **-- OR --** **We suggest that, given the significant Interaction with other codes such as the BSC, that a representative of the other code bodies, or CACOP, should be included in the Steering Group**
Q20. How do you think the steering group should make decisions, particularly if there is not consensus?
This comes back to the question as to where the ultimate responsibility sits. Based on the governance diagram, the Steering Group Is making recommendations to Ofgem / BEIS and the code panels. This suggests that if there is not consensus then the decision should be referred to Ofgem / BEIS.
Q21. What are your views on the proposed stakeholder engagement? Is there more that can be done to ensure effective stakeholder engagement?
The proposed stakeholder engagement seems to be a good starting point for reaching a large proportion of affected parties.
Q22. Would you like to attend the webinars? If so, please leave your contact details in your feedback.
Please can you Invite jeremy.caplin@Elexon.co.uk to the webinars.
Q23. Would you like to request a regular update from the project at your forum? If so, please leave contact details of your forum in your feedback.
We will rely on the ESO representative on the BSC Panel to provide, or arrange for, regular updates to the BSC Panel.
Q24. What are your views on the proposed schedule?
It does seem a tight turnaround to process responses to this consultation, decide on the final composition of the Steering Group based on this feedback, get nominations for the Steering Group and convene the first meeting In just over a month.

This consultation is available online here:

https://www.nationalgrideso.com/industry-information/codes/digitalised-whole-system-technical-code

Please return responses to box.wholesystemcode@nationalgrideso.com before 5pm on 12th November 2021.