

Modification	At what stage is this document in the process?
<p><b>DCRP/21/05 Distribution Code Compliance</b></p> <p>Modification to Introduce a Distribution Code Compliance Process</p>	
<p>The purpose of this document is to assist the Authority in its decision to implement the proposed process within the Distribution Code for Distribution Network Operators to de-energise non-compliant equipment, including generation equipment, from their respective networks.</p> <p>The proposed modifications were subject to industry consultation between 12<sup>th</sup> August 2021, until 7<sup>th</sup> October 2021.</p> <p><b>Date of publication: 6<sup>th</sup> December 2021</b></p>	
<p><b>Recommendation</b></p> <p>The Distribution Code Review Panel (DCRP) and distribution network licensees recommend that the proposed modifications are made to the current version of The Distribution Code of Licensed Distribution Network Operators of Great Britain.</p>	
	<p>The DCRP and distribution network licensees recommends that this modification should be: Submitted to the Authority for approval.</p>
	<p>High Impact: Non-compliant Generation</p>
	<p>Medium Impact: Distribution Network Operators</p>
	<p>Low Impact:</p>

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Timetable		
Workgroup Report presented to DCRP	5 <sup>th</sup> August 2021	
Public consultation issued	12 <sup>th</sup> August 2021	
Consultation closed	7 <sup>th</sup> October 2021	
Final Modification Report available for Panel	2 <sup>nd</sup> December 2021	
Final Modification Report submitted to The Authority	6 <sup>th</sup> December 2021	

## 1. Purpose of the Modification

This modification report has been prepared by DNOs based on work carried out by a DCRP working group and after seeing wider stakeholder input. The purpose of this modification is to create a process in the Distribution Code for DNOs to de-energise generators and customers who have non-compliant equipment, after following a clearly explained set of steps which include prescriptive communication with them.

This modification relates to material non-compliance by generation and demand customers, although the modification was triggered by non-compliance of generation equipment with the Distribution Code requirements. The stability of the network is key to maintaining supply to all customers, and as part of this it is important that generation equipment is compliant with the technical requirements, including protection settings, as set out in the Distribution Code. This modification outlines a process which DNOs must follow to notify generators prior to the de-energisation of non-compliant generation equipment where the protection arrangements settings do not comply with the Distribution Code requirements. Ensuring that all generation has compliant protection settings will reduce the risk of loss of supply.

## 2. Details of the Proposal

The proposed modification to the current version of the Distribution Code consists of alterations to existing sections of text and the creation of new sections outlining the steps of the de-energisation process:

- New sections of text in DGC11 of the Distribution Code: DGC11.2, DGC11.3 & DGC11.4;
- The existing section DGC11.3 being re-numbered as DGC11.5.
- A new section DGC12: Customer and Generator Compliance with the Distribution Code.
- New definitions added to accompany these changes.

The modified Distribution Code text explains clearly to customers and generators the process that DNOs will need to follow before de-energising non-compliant generator's or customer's equipment from their networks. A 5-step process has been set out in DGC12 which allows all parties to understand the timeframes and steps to be taken to ensure all other avenues have been exhausted before non-compliant equipment is de-energised. A section (DGC12.6) has also been added to clarify the notification process.

## 3. Impacts and Other Considerations

### Impacts on Users of The Distribution Code

The proposed modification will impact users by providing a clear and concise process for the de-energisation by the DNO of equipment deemed to be non-compliant.

### Impacts on Total System and the DNOs System

The proposed modification will impact the total system and DNOs systems by ensuring connected generation is compliant with the requirements of the Distribution Code which will minimise the impact and risk of total system failure during a major power outage event, for example the low frequency event of 9<sup>th</sup> August 2019.

## Environmental Impact Assessment

There is no environmental impact predicted by the implementing this proposed modification.

### 4. Impact on other Industry documents

There are no impacts on other industry documents.

### 5. Assessment against Distribution Code Objectives

The proposed amendments better facilitate the Distribution Code objective (i), (ii) and (iv):

(i) to permit the development, maintenance and operation of an efficient, coordinated and economical system for the distribution of electricity;

*The proposal has a positive impact on this objective. By removing non-compliant generation from the network, the risk of such generation tripping unexpectedly leading to a further loss of supply similar to the August 9<sup>th</sup> 2019 event is reduced. This results in an efficient, coordinated, and economically operated system.*

(ii) to facilitate competition in the generation and supply of electricity;

*This modification will have a positive effect though allowing better understanding of the equipment connected to the networks, and improving confidence in developing emergency recovery agreements with generators.*

(iii) to 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; and

*The proposal has a neutral impact on this objective.*

(iv) to promote efficiency in the implementation and administration of the Distribution Code.

*The proposal has a positive impact on this objective, by giving guidance to users on the steps to be implemented through the process.*

### 6. Workgroup Recommendations

The working group consisting of DNOs and DCRP representatives (including generators) discussed the approach to the changes and recommended that for legal purposes inclusion of the process within the Distribution Code, rather than for example in DCUSA was appropriate. The additional clarification of the process to be followed for generators, customers and DNOs to ensure where non-compliant equipment is identified there is sufficient and timely communication and support to facilitate the changes necessary to achieve and demonstrate compliance, and also to clarify the consequences should compliance not be achieved.

This recommended new text provides clarity to all parties by outlining the timescales and interaction stages between generators, customers and DNOs. This process should encourage generators to ensure that their generation equipment has protection settings that are compliant with the Distribution Code requirements.

Each stage of the process is documented in the proposed Distribution Code text so as to make clear each step of the process.

The process includes and highlights the option for generators to request that DNO's raise a derogation request with Ofgem at any time during the process.

## 7. Implementation

The DCRP agreed to an implementation date of 1<sup>st</sup> September 2022, to align with the ending of the ALoMCP scheduled for 31<sup>st</sup> August 2022, should the Authority approve this modification.

## 8. Consultation

On 12<sup>th</sup> August 2021 the DCRP formally published a public consultation (DCRP/21/05/PC) on the proposed Distribution Code Compliance Process. The deadline for responses was 7<sup>th</sup> October 2021. Each response received from the consultation is presented in this section of this Report to the Authority.

The following 6 respondents responded to the consultation and these have been summarised below. Copies of the responses received, and a detailed breakdown of the workgroup responses is provided in the spreadsheet in Appendix 2.

### 8.1. P2 Consulting

The response from P2 Consulting was broadly supportive, though did raise some points for discussions focussing on the method of the proposed modification and the commercial implications of non-compliance, suggesting a DUCSA change might better suited. As this modification to the Distribution Code text is to describe a process for DNOs to engage with customers regarding technical non-compliance it was argued that a change to the DCode was correct course of action for this case.

This response also provided some proposals on the technical content of the modification which were assessed by the working group before being integrated into the final legal text.

### 8.2. National Grid Electricity Systems Operator (NGESO)

National Grid ESO's response was supportive on the proposal, agreeing that the modification provided clarity for all those impacted. They agreed given the difficulties in contacting the owners of 'smaller' generation that the proposed modification outlined a proportional response.

Some comments on the urgency of communication in the event of Fault Ride Through (FRT) requirements not being met where provided. The workgroup recognised that if non-compliant generation would have a national affect then close working with the Authority could result in a fast turnaround of a derogation to enable DNOs to follow a faster enforcement process.

### **8.3. Power Data Associates Ltd (PDAL)**

This response provided by PDAL was not supportive of the change and in their opinion was 'completely at odds' with the existing framework provided within the National Terms of Connection (NTC). They stated that the NTC already provides a framework for the removal of the connection if certain issues are not resolved.

The "right" to de-energise technically non-compliant connections already exists in DCUSA, this modification seeks to obligate the DNO to de-energise in certain scenarios after having followed a prescribed process. The Distribution Code modification does not seek to make changes to bi-lateral contracts, NTC or DCUSA and is intended to focus on detailing the process of communication to be used where the DNO is of the opinion that a technical non-compliance has a material detrimental impact on the network.

### **8.4. Northern Powergrid (NPg)**

Northern Powergrid's response was supportive of the proposal and provided some editorial changes to the text (DCG12.5) which the working group assessed and adopted in the final draft of the text.

### **8.5. Scottish Power Energy Networks (SPEN)**

SPEN confirmed their general support for the modification, stating that it provides clarity to customers, generators and DNOs of the process which non-compliances with the requirements of the Distribution Code will be managed. They also approved of the timeline of the implementation date, and how it has been proposed to coincide with the end of the ALoMCP.

### **8.6. EDF**

This response was broadly supportive of the modification, agreeing that Distribution Code compliance is an important element of electrical system security, resilience and operability. This response did call into question the clarity of the process should a derogation to the Authority be submitted. As a result the text was assessed and amended to allow for greater clarity in the final draft.

Overall the responses were supportive of the proposed changes with the working group working through each point raised and amending the text to suit.

Further detail of this public consultation can be found on the [DCode website](#) under DCRP/21/05/PC.

## **9. Legal Text**

Legal text for the changes proposed to the Distribution Code (Distribution Glossary and Definitions DGD 1 and also to Distribution General Conditions DGC11 and DGC12) to facilitate the de-energisation of non-compliant equipment in general, and specifically to facilitate the change of generator protection.

An overview of the changes to the Distribution Code are outlined below,

- Distribution Glossary and Definitions (DGD 1) - New Definitions

- Business Day
- De-energise
- Distribution Code Compliance Practice
- Effective date
- G59/3-7 Modification
- Retrospective Modification
- DGC11.2 to DCG11.5 - New and altered numbering of sections
  - DGC11.2 to DGC11.4 - New sections added
  - DGC11.5 - Existing text from DGC11.3 renumbered to DGC11.5
- DCG12 - New section of text

A full copy of the proposed text is included in Appendix 1.

## 10. Distribution Code Review Panel Discussion

The Final Modification Report was circulated to DCRP for approval via email on 25<sup>th</sup> November 2021 prior to a discussion and approval sought at the DCRP meeting held in December 2021. Once the final report was approved by the members of the panel a copy of the report was submitted to the authority 6<sup>th</sup> December 2021 for their consideration.

## 11. Recommendation

The Distribution Code Review Panel and Licenced Distribution Network Operators recommend that this modification report should:

- be submitted to the Authority for approval; and
- subject to the agreement of the Authority the modification should be implemented from the date the revised Distribution Code is published.

## 12. Appendices

Appendix 1 – Full copy of proposed text

Appendix 2 – Consultation Responses Pack

Appendix 3 – Latest version of Distribution Code of GB with amendments - TC version

**DGC11            MODIFICATIONS TO THE DISTRIBUTION CODE**

- DGC11.1        Modifications to the **Error! Reference source not found.** shall be made in accordance with the procedures set out in the Constitution and Rules of the **Error! Reference source not found.**
- DGC11.2        Subject to DGC11.3, modifications to the **Error! Reference source not found.** that change the obligations on **Error! Reference source not found.s** to comply with the **Error! Reference source not found.** in relation to their **Error! Reference source not found.** will apply to any **Error! Reference source not found.** installed in the **User's** installation on or after the **Effective Date** of the relevant modification.
- DGC11.3        If a modification to the **Distribution Code** is a **Retrospective Modification**, all **Users** must comply with the **Retrospective Modification** in relation to any **Error! Reference source not found.** installed in the **User's** installation before the **Effective Date** of the **Retrospective Modification**.
- DGC 11.4        Where the **Error! Reference source not found.** makes a material alteration to the relevant **Error! Reference source not found.**, then the **Error! Reference source not found.** shall comply with the requirements of the **Error! Reference source not found.** currently in force at the date of the material alteration.
- DGC11.5        The **Error! Reference source not found.s** shall appoint a Code Administrator (as defined in the **Distribution Licence**). The Code Administrator shall (in addition to any powers, duties or functions set out in the **Distribution Code** or the Constitution and Rules of the **Error! Reference source not found.**):
- (a)        together with other code administrators, publish, review, and (where appropriate) amend from time to time the Code of Practice (Code of Practice in DGC11.5 has the meaning defined in the **Error! Reference source not found.**);
  - (b)        facilitate the procedures for making a modification to the **Error! Reference source not found.**;
  - (c)        have regard to, and in particular (to the extent relevant) be consistent with, the principles contained in the Code of Practice;
  - (d)        provide assistance, insofar as it is reasonably practicable and on reasonable request, to **Error! Reference source not found.s** (including in particular Small Participants as defined in the **Error! Reference source not found.**) and, to the extent relevant, consumer representatives that request the Code Administrator's assistance, in relation to the **Error! Reference source not found.** including, but not limited to, understanding the operation of the **Error! Reference source not found.**, their involvement in, and representation during, the modification processes (including, but not limited to, **Error! Reference source not found.** and / or working group meetings), and accessing information relating to modification proposals and/or modifications.

**DGC12 CUSTOMER AND GENERATOR COMPLIANCE WITH THE DISTRIBUTION CODE**

DCG12.1 Where a **Customer** or a **Generator** becomes aware that it is not, or might not be, compliant with a **Distribution Code** requirement, the **Customer** or **Generator** shall inform the **DNO** as soon as reasonably practicable.

DCG12.2 Non-compliance, or potential non-compliance, with the **Distribution Code**, may be identified through **System** monitoring or from the investigation of an **Event** on the **System**.

DGC12.3 If a **DNO** considers that a **Customer** or a **Generator** is not, or might not be, compliant with a **Distribution Code** requirement and such non-compliance, or potential non-compliance

- (a) relates either to a single item of **Equipment** in a **Customer's** or a **Generator's** installation or items of **Equipment** in multiple **Customers'** or **Generators'** installations, and
- (b) is such that, in the opinion of the **DNO**, it has a material detrimental impact on the **System**,

then the **DNO** shall follow the **Distribution Code Compliance Process**. For example, non-compliance or potential non-compliance of **Equipment** in a **Generator's** installation with the following **Distribution Code** requirements is considered to have a material detrimental impact on the **System**:

- i) Those requirements introduced by the **G59/3-7 Modification**.
- ii) Those requirements introduced by a **Retrospective Modification**.
- iii) **Embedded Generator** interface protection requirements set out in DPC7.1.4 and EREC G59, as appropriate, identified as having a material detrimental effect by the **DNO**, as part of the Accelerated Loss of Mains Change Programme.

DGC12.4 If, on completion of the **Distribution Code Compliance Process** under DGC12.3 the **Customer** or **Generator** has not implemented such changes to its **Equipment** as may be required to ensure compliance with the **Distribution Code** and / or provided information to the reasonable satisfaction of the **DNO** to demonstrate that its **Equipment** is compliant with the **Distribution Code**, and either:

- (a) the **Customer** or **Generator** has not submitted a competent derogation application to the **DNO** with respect to the non-compliance or potential non-compliance with the **Distribution Code** within the timescale of the **Distribution Code Compliance Process** under DGC12.3, or
- (b) the **DNO** has not submitted a competent derogation application to the **Authority** with respect to the non-compliance or potential non-compliance with the **Distribution Code** within 10 (ten) **Business Days** of completion of the applicable **Distribution Code Compliance Process** under DGC12.3, or
- (c) the **Customer**, the **Generator** or the **DNO** has submitted a competent derogation application, in accordance with DGC12.4 (a) or (b) as applicable, with respect to the non-compliance or potential non-

compliance with the **Distribution Code** and the **Authority** has decided to refuse that application,

then the **Customer** or **Generator** shall be in breach of the **Distribution Code** and the **DNO** shall **De-energise** the **Customer's** or the **Generator's Connection Point** as soon as reasonably practicable.

## DGC12.5 **Distribution Code Compliance Process**

The **Distribution Code Compliance Process** sets out a detailed prescriptive process and timeline.

Where the **DNO** believes that the application of this process would be inappropriate in relation to a specific non-compliance or potential non-compliance, the **DNO** shall seek derogation from the **Authority** to apply a different process, e.g. a shorter process where a non-compliance or potential non-compliance needs to be addressed urgently.

In the event of non-compliance or potential non-compliance with the **Distribution Code**, identified in accordance with DGC12.3, the **DNO** will follow a five-stage process to resolve the issue. If, after following this process the issue remains unresolved, the **DNO** has an obligation to de-energise the **Customer's** or the **Generator's Connection Point** in accordance with DGC12.4.

A **Customer** or **Generator** may contact the **DNO** to request that the **DNO** applies for derogation, from the **Authority** against the **DNO's** obligation to de-energise a non-compliant installation at any time but it is encouraged to do so as early into the **Distribution Code Compliance Process** as possible. The **DNO** is not obliged to act on such a request from a **Customer** or a **Generator** where there is no technical reason preventing the **Customer** from complying with the **Distribution Code**, unless the derogation relates to non-compliance with a requirement arising from an EU Network Code.

Where it is reasonable to act on a **Customer's** or a **Generator's** request, the **DNO** will apply to the **Authority** for derogation following the process in Ofgem's guidance.<sup>1</sup>

Where the **Authority** grants the **DNO** derogation from the obligation to de-energise the specific non-compliant **Customer's** or **Generator's** installation then that installation shall remain connected.

Where the **Authority** rejects the derogation request then the **DNO** shall de-energise that installation as soon as reasonably practicable.

The **DNO** will commence the **Distribution Code Compliance Process** when the non-compliance or potential non-compliance is first identified in accordance with DGC12.3 except where the non-compliance or potential non-compliance relates to Type D Power Generation Module; in which case the **Distribution Code Compliance Process** will be initiated following the exhaustion of the Limited

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<sup>1</sup> Guidance on technical derogation requests, Ofgem. 16 November 2017.

Operational Notification process set out in DGC Annex 1 Item 10, Engineering Recommendation G99.

### **Stage 1 – First Notice (Week 0)**

1. The **DNO** will issue notification in writing to the **Customer** or the **Generator**, which:
  - (a) sets out the non-compliance or potential non-compliance;
  - (b) sets out the actions the **Customer** or the **Generator** must take to address the non-compliance or potential non-compliance and the dates by which those actions should be complete, noting that compliance is required by no later than 26 weeks from the date of the notification;
  - (c) clarifies that, although the **Customer** or the **Generator** may request that the **DNO** applies to the **Authority** for a derogation relating to compliance with the **Distribution Code** at any time during the **Distribution Code Compliance Process** a **Customer** or a **Generator** that is considering requesting that the **DNO** requests a derogation from the **Authority** must do so as early in the **Distribution Code Compliance Process** as possible; and
  - (d) sets out the timescales associated with the **Distribution Code Compliance Process**.
2. If, by the end of Week 4, the **Customer** or the **Generator** has not demonstrated compliance with the **Distribution Code**, the **DNO** will initiate Stage 2 of the **Distribution Code Compliance Process**.

### **Stage 2 - Second Notice (Week 4)**

1. The **DNO** will issue notification in writing to the **Customer** or the **Generator**, which:
  - (a) sets out whether a response has been received from the **Customer** or the **Generator** following Stage 1;
  - (b) sets out whether the **Customer** or the **Generator** has provided evidence to demonstrate its compliance with the **Distribution Code**;
  - (c) sets out whether a compliance plan has been agreed and summarises the plan, including the key dates; and
  - (d) repeats the relevant parts of the notification provided under Stage 1.
2. If the **Customer** or the **Generator** does not respond to the notification provided under Stage 1, the **DNO** will attach a suitably robust and durable copy of that notification to a suitable location at or as close as possible to the **Customer's** or the **Generator's** site, for example to the site gate, fence, door, metering annex etc.

3. If, by the end of Week 8, the **Customer** or the **Generator** has not demonstrated compliance with the **Distribution Code**, the **DNO** will initiate Stage 3 of the **Distribution Code Compliance Process**.

#### **Stage 3 – Third Notice (Week 8)**

1. The **DNO** will repeat the relevant parts of Stage 2 of the **Distribution Code Compliance Process**.
2. If, by the end of Week 16, the **Customer** or the **Generator** has not demonstrated compliance with the **Distribution Code**, the **DNO** will initiate Stage 4 of the **Distribution Code Compliance Process**.

#### **Stage 4 – Fourth Notice (Week 16)**

1. The **DNO** will repeat the relevant parts of Stage 2 of the **Distribution Code Compliance Process**.
2. If, by the end of Week 22, the **Customer** or the **Generator** has not demonstrated compliance with the **Distribution Code**, the **DNO** will initiate Stage 5 of the **Distribution Code Compliance Process**.

#### **Stage 5 – Final Notice (Week 22)**

1. The **DNO** will repeat the relevant parts of Stage 2 of the **Distribution Code Compliance Process**.
2. The notification provided to the **Customer** or the **Generator** will clearly state that, if the **Customer** or the **Generator** has not provided evidence sufficient to demonstrate compliance with the **Distribution Code** by the end of week 26, the **DNO** will make arrangements to de-energise the **Customer's** or the **Generator's Connection Point** in accordance with **Distribution Code DGC12.4**.

#### **DGC12.6**

##### **Notification**

The **DNO** will give the notifications required under each stage of the **Distribution Code Compliance Process** in accordance with the National Terms of Connection or with the relevant bilateral connection agreement and to the most recent address held by the **DNO** for correspondence with the **Customer** or the **Generator**. Where the **DNO** holds an email address for the **Customer** or the **Generator** the **DNO** will also email the relevant notification to that email address.

## **Associated new DCode definitions:**

### **Retrospective Modification**

A modification to the **Distribution Code** shall be a **Retrospective Modification**, if the modification is either:

- a) Stated to be a **Retrospective Modification** in the relevant Distribution Code Modification Report to the **Authority**; or
- b) A **G59/3-7 Modification**.

### **G59/3-7 Modification**

The modification to the **Distribution Code** to implement Engineering Recommendation G59 Issue 3 Amendment 7, as approved by the **Authority** on 5 August 2019.

### **De-energise**

The deliberate movement of any switch or the removal of any fuse or the taking of any other step whereby no electrical current can flow between the **DNO's Distribution System** and the **User's Equipment** at the **Connection Point** (and "De-energisation" shall be construed accordingly.)

### **Effective Date**

The effective date specified in the relevant modification to the Error! Reference source not found., which may be after the implementation date of the modification to allow time for **Users** to make any arrangements that may be necessary in order to comply with that modification.

### **Distribution Code Compliance Process**

The process set out in DGC12.5.

### **Business Day**

Any day other than a Saturday, a Sunday, Christmas Day, Good Friday, or a day that is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971.

A consequential change to DOC5.6.4.2 is to bold the existing term Business Day so that it relates to the new defined term.

DOC5.6.4.2 The **DNO** has the responsibility under the **Grid Code** to forward the report of DOC5.6.4.1 above to **NGESO**. This report must be provided within five **Business Days** of the test. If a dispute arises relating to the failure, **NGESO**, the **DNO** and the **Generator** shall seek to resolve the dispute by discussion, and, if they fail to reach agreement, either of the **DNO** or **Generator** may by notice respectively: