

Modification proposal:	Distribution Code DCRP/MP/20/06 – Modification to Storage within the existing Distribution Code Documentation		
Decision:	The Authority ¹ has decided to approve ² this modification		
Target audience:	Distribution licensees, Distribution Code Review Panel, distribution network users and other interested parties		
Date of publication:	21 July 2021	Implementation date:	1 August 2021

Background

Distribution Code modification GC0102/DCRP 'Implementation of the EU Network Code – Requirement for Generators'³ was approved by us on 15 May 2018. This modification ensures that the GB Distribution Code is consistent with the relevant European Network Code (Requirement for Generators (RfG))⁴. This was achieved primarily by the creation of two new Annex 1 documents – Engineering Recommendation G98 (EREC G98)⁵ and Engineering Recommendation G99 (EREC G99)⁶.

On the 20 May 2020, we approved modifications to the Grid Code relating to storage devices on the transmission network (GC0096 – Energy Storage)⁷, with storage removed from the list of exclusions in existing Grid Code documents. In line with this, the drafting of the Distribution Code⁸ and its Annex 1 documents were reviewed by the Distribution Code Review Panel

¹ 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.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ <https://www.ofgem.gov.uk/publications-and-updates/distribution-code-gc0102dcrp-implementation-eu-network-code-requirement-generators>

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R0631>

⁵ [https://www.energynetworks.org/assets/images/Resource%20library/ENA_EREC_G98_Issue_1_Amendment_4_\(2019\).pdf](https://www.energynetworks.org/assets/images/Resource%20library/ENA_EREC_G98_Issue_1_Amendment_4_(2019).pdf)

⁶ [https://www.energynetworks.org/assets/images/Resource%20library/ENA_EREC_G99_Issue_1_Amendment_6_\(2020\).pdf](https://www.energynetworks.org/assets/images/Resource%20library/ENA_EREC_G99_Issue_1_Amendment_6_(2020).pdf)

⁷ <https://www.ofgem.gov.uk/publications/grid-code-gc0096-energy-storage>

⁸ http://www.dcode.org.uk/assets/uploads/DCode_v45_20200612.pdf

(DCRP) and they agreed that the Distribution Code, EREC G98 and EREC G99 are amended to align with the Grid Code.

The modification proposal

DCRP/MP/20/06⁹ proposes the removal of the current exemptions applied to storage within existing Distribution Code Documents and clarifies the requirements for storage in the Distribution Code, EREC G98, and EREC G99. By amending the requirements for storage, the modification proposal:

- Removes exemptions and proposes a series of requirements that applies to Electricity Storage devices commissioned on or after 01 September 2022.
- Sets out the expected electricity storage response during falling frequency events and associated type testing requirements.
- Expands the definition of energy storage to explicitly capture electric vehicles (EV) if configured to work in vehicle to grid mode, that is, acting as source of electrical energy supply to the customer's installation and/or the Distribution Network Operator's (DNO's) Network.
- Proposes a series of example installations that set out the logic for Vehicle to Grid EV installations, detailing when they are classed as storage and generation and therefore requiring compliance with EREC G99.

This modification proposal was subject to a consultation between 12 December 2020 to 12 February 2021. Six responses to the consultation were received and were generally supportive of the changes.

We received the Final Report for DCRP/MP/20/06 from the DCRP on the 26 April 2021, but could not properly form an opinion on the modification proposal based on the information submitted. We therefore directed that the Final Report should be revised and resubmitted, to include additional information on the work of DCRP workgroups, the interaction with similar initiatives on storage, and the associated stakeholder consultation.¹⁰

⁹ Distribution Code proposals, final reports and representations can be viewed at: <http://www.dcode.org.uk/areas-of-work/> and <http://www.dcode.org.uk/consultations/>

¹⁰ <https://www.ofgem.gov.uk/publications/authority-decision-send-back-distribution-code-dcrpmp2006-modification-storage-within-existing-distribution-code-documentation>

The revised Final Report was re-submitted to us on 16 June 2021 and provided additional clarification that had not been included in the original submission of 26 April. It included details of the specific proposed changes to the three affected Distribution Code documents, and the DCRP workgroup discussions.

The DCRP workgroup, which included representatives from trade bodies, storage manufacturers and DNOs, met five times between July 2020 and March 2021. The output from the workgroup was briefed to the Energy Networks Association's (ENA's) Distributed Energy Resources Technical Forum. This forum includes manufacturers and trade associations. The society for Motor Manufacturers and Traders (on behalf of all EV manufacturers) were also consulted on the workgroup's thinking by the ENA.

Distribution Code Review Panel (DCRP)¹¹ comments and licensee recommendation

At the DCRP Panel meeting on 01 April 2021, the Panel agreed that the modification proposal should be submitted to the Authority for approval. The DCRP consider that objectives (a), (b), and (d) are better facilitated by the modifications and that it has a neutral impact on objective (c).

Our decision

We have considered the issues raised by the modification proposal and in the revised Final Report dated 16 June 2021. We have considered and taken into account, the responses to the consultation on the modification proposal which are included in the Final Report.¹² We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the Distribution Code;¹³ and

¹¹ The DCRP is established in accordance with SLC 21 of the Electricity Distribution Licence.

¹² Distribution Code proposals, final reports and representations can be viewed at: <http://www.dcode.org.uk/areas-of-work/> and <http://www.dcode.org.uk/consultations/>

¹³ 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>

- approving the modification is consistent with our principal objective and statutory duties.¹⁴

Reasons for our decision

We consider this modification proposal will better facilitate Distribution Code objectives (a), (b) and (d) and has a neutral impact on the other applicable objectives.

(a) permit the development, maintenance, and operation of an efficient, co-ordinated, and economical system for the distribution of electricity

By removing the current exemptions applied to storage in the Distribution Code, all the technical requirements of EREC G98 and EREC G99 apply to electricity storage plants. This ensures consistency for stakeholders in the provision of new storage plants and ensures that new storage plants can contribute to system operability, security and efficiency.

(b) facilitate competition in the generation and supply of electricity

The proposed changes makes the requirements for storage easier to understand and for new developers to demonstrate compliance, by aligning the requirements of storage with others across the Grid Code and Distribution Code annex documents. The DNOs are committed to ensuring that the requirements in the Distribution Code, EREC G98 and EREC G99 are, and will remain harmonized with those in the Grid Code to the extent possible. Where a Grid Code change results in additional new characteristics for storage, the DNOs intend to raise a corresponding Distribution Code modification to align with it.

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

The proposed changes reduce uncertainty and ambiguity in the Distribution Code with the inclusion of falling system frequency requirements for storage and ensuring the approach accommodates electric vehicles appropriately.

¹⁴ 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.

Decision notice

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 Final Report to the Authority of 16 June 2021 be made.

Martin Queen

Principal Engineer

Signed on behalf of the Authority and authorised for that purpose