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| Modification proposal: | Distribution Code DCRP/MP/23/05: Modification to DOC6 to allow protection from disconnection, where technically feasible, for customers when implementing demand disconnection at levels above 20% of total demand (DCRP/MP/23/05) | | |
| 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: | 14 December 2023 | Implementation date: | 15 December 2023 |

Background

During 2023, the Department for Energy Security and Net Zero ran a series of Electricity Shortfall Prioritisation Review (ESPR) workshops, which reviewed and identified improvements in the prioritisation of electricity supplies during a supply shortfall. This included a review of the existing industry Demand Control products within Grid Code Operational Code 6 "Demand Control" (OC6), and consequentially Distribution Code DOC6.

It was identified that OC6 and DOC6 explicitly prohibit the protection of **any** customers in relation to Demand Control under the Grid Code, and consequentially Distribution Code. This includes sites on the Protected Sites List in the government's Electricity Supply Emergency Code (ESEC)³. The ESPR identified that there is merit in protecting such sites during a supply shortfall.

On 15 September 2023 we approved Distribution Code modification proposal DCRP/MP/23/03, which removed the legal barrier to protecting critical sites (sites on the ESEC Protected Sites List) where technically feasible, when implementing demand disconnection of up to and including 20% of total demand.⁴

On 1 December 2023 we approved Grid Code modification proposal GC0162, which removed the Grid Code legal barrier to protecting critical sites (sites on the ESEC Protected Sites List) for further stages of demand disconnection, with a focus on demand disconnection between 20% and 40% of total demand.⁵

DCRP/MP/23/05 follows GC0162 and seeks to align DOC6 with OC6.

The modification proposal

DCRP/MP/23/05 is proposed by the Distribution Code Review Panel. It was developed alongside Grid Code modification proposal GC0162. DCRP/MP/23/05 proposes to:

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 The ESEC criteria for 'Protected Sites' can be found in section 5 of the ESEC document;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/995049/esec-guidance.pdf

⁴ <https://www.ofgem.gov.uk/publications/dcrpmp2303-authority-decision>

⁵ <https://www.ofgem.gov.uk/publications/gc0162-authority-decision>

- Amend DOC6.1.3 (b) and DOC6.4.3 to include reference to DOC6.4.5 thereby extending the principle of protection of critical sites (sites on the ESEC Protected Sites List) to demand disconnection of above 20% of total demand; and
- Replaces references to '5%' (stages of demand disconnection) to (stages of Demand Control) 'each of which can reasonably be expected to deliver between 4% and 6% Demand reduction', thereby aligning DOC6 with changes made to OC6 via GC0162.

Distribution Code Review Panel (DCRP or the Panel)⁶ comments and licensee recommendation

As part of the DCRP review, the draft DCRP/MP/23/05 proposal was discussed at the DCRP meeting on 5 October 2023, where it was agreed to proceed to public consultation, and in principle to submit to the Authority subject to changes arising from the consultation. The DCRP consider the proposal better facilitates Distribution Code objectives (a) and (c) and has a neutral impact on Distribution Code objectives (b) and (d).

The public consultation was conducted between 16 October 2023 to 17 November 2023, receiving no responses. The Final Report was thereafter submitted to the Authority for approval on 4 December 2023.

Our decision

We have considered the issues raised by the modification proposal and in the Final Report dated 4 December 2023. We have considered and taken into account the responses to the consultation on the modification proposal which are included in the Final Report.⁷ We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the Distribution Code,⁸ and
- approving the modification is consistent with our principal objective and statutory duties.⁹

Reasons for our decision

We consider this modification proposal will better facilitate Distribution Code objectives (a) and (c), 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

⁶ The DCRP is established in accordance with SLC 21 of the Electricity Distribution Licence.

⁷ 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/>

⁸ As set out in Standard Condition SLC 21.4 of the Electricity Distribution Licence available at:

<https://www.ofgem.gov.uk/industry-licensing/licences-and-licence-conditions>

⁹ 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.

We consider DCRP/MP/23/05 allows DNOs to implement the applicable Demand disconnection stages (greater than 20% of total demand) in such a way as to protect supplies to critical customers (sites on the ESEC Protected Sites List), where technically feasible. By seeking to protect critical sites, we consider DCRP/MP/23/05 has a positive impact on the operation of an efficient, co-ordinated and economical system. We therefore consider DCRP/MP/23/05 has a positive impact on this Distribution Code objective.

We note that whilst the likelihood of an emergency incident requiring any form of Demand Control is low, in theory, a sufficiently large loss of power infeed has the potential to result in a Demand Control event. The ESO mitigates credible contingency events through their application of the Frequency Risk and Control Report (FRCR)¹⁰, an event outside of those managed by the FRCR could result in Demand Control being enacted under OC6.

(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

As stated above, DCRP/MP/23/05 was developed alongside Grid Code modification proposal GC0162. DCRP/MP/23/05 provides alignment between the Distribution Code and Grid Code, post implementation of GC0162, thereby facilitating DNO compliance with the Grid Code as required by the Distribution Licence¹¹. We therefore consider DCRP/MP/23/05 has a positive impact on this Distribution Code objective.

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 4 December 2023, be made.

Gurpal Singh

Principal Engineer & Professions Lead

Signed on behalf of the Authority and authorised for that purpose

¹⁰ <https://www.nationalgrideso.com/industry-information/codes/security-and-quality-supply-standard-sqss/frequency-risk-and-control>

¹¹ Compliance with Grid Code is required as per Condition 20 of the Electricity Distribution Licence.