

Making a positive difference for energy consumers

Modification proposal:	Distribution Code DCRP/MP/23/03: Modification to DOC6 to allow protection for sites when implementing demand disconnection where technically feasible		
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:	15 September 2023	Implementation date:	2 October 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.

DCRP/MP/23/03 seeks to implement this recommendation of the ESPR.

The modification proposal

DCRP/MP/23/03 is proposed by the Distribution Code Review Panel. It was developed alongside Grid Code modification proposal GC0161, and workgroups developing the modifications were aligned. Today we have also published our decision to approve GC0161.⁴

Both GC0161 and DCRP/MP/23/03 seek to allow Distribution Network Operators (DNOs) to protect critical sites (sites on the ESEC Protected Sites List), where technically feasible, when implementing demand disconnection of up to and including 20% of demand.

To facilitate this, DCRP/MP/23/03 proposes to:

- Amend DOC6.1.2 to clarify the application of DOC6, distinguishing between;
 - Customer Voltage Reduction and Customer Demand reduction by disconnection, and

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-quidance.pdf

ec-quidance.pdf

GC0161 proposes changes to the Grid Code to allow DNOs to protect sites on the ESEC Protected Sites List in relation to Demand Control under OC6.5.3(a) implemented via Demand Disconnection. Our decision to approve GC0161 can be found here; https://www.ofgem.gov.uk/publications/gc0161-authority-decision

- implementing an OC6 demand control instruction from NGESO, and for actions which the DNO needs to take to protect the integrity of its distribution system.
- Amend DOC6.1.3, which currently prohibits any protections, to clarify that sites on the ESEC Protected Sites List can be excluded from applicable demand disconnection arrangements where technically feasible, noting that such exclusions cannot be guaranteed.
- Amend DOC6.4.3 to distinguish between Voltage Reduction and Demand disconnection stages.

Distribution Code Review Panel (DCRP or the Panel)⁵ comments and licensee recommendation

As part of the DCRP review, a public consultation on the proposal was conducted between 24 July 2023 to 18 August 2023, receiving one response from a Distribution Network Operator in support of the proposal.

The Final report was presented to the DCRP meeting on 3 August 2023 where the Panel and licensed DNOs recommended in principle that DCRP/MP/23/03 be submitted to the Authority for approval once the public consultation had closed. 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).

Our decision

We have considered the issues raised by the modification proposal and in the Final Report dated 4 September 2023. We have considered and taken into account the responses to the consultation(s) on the modification proposal which are included in the Final Report.⁶ We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the Distribution Code;⁷ and
- approving the modification is consistent with our principal objective and statutory duties.⁸

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, coordinated, and economical system for the distribution of electricity

⁵ The DCRP is established in accordance with SLC 21 of the Electricity Distribution Licence.

⁶ 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/

⁷ 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

8 The Authority's statutory duties are wider than matters which the Panel and licensees must take into

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/23/03 allows DNOs to implement the applicable Demand disconnection stages in such a way as to protect supplies to critical customers (Protected Sites as established under ESEC), where technically feasible. By seeking to protect critical sites, we consider DCRP/MP/23/03 has a positive impact on the operation of an efficient, co-ordinated and economical system. We therefore consider DCRP/MP/23/03 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)⁹, 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/23/03 was developed alongside Grid Code modification proposal GC0161. DCRP/MP/23/03 provides alignment between the Distribution Code and Grid Code, post implementation of GC0161, thereby facilitating DNO compliance with the Grid Code as required by the Distribution Licence¹⁰. We therefore consider DCRP/MP/23/03 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 September 2023 be made.

Gurpal Singh Principal Engineer & Professions Lead

Signed on behalf of the Authority and authorised for that purpose

⁹ https://www.nationalgrideso.com/industry-information/codes/security-and-quality-supply-standardsqss/frequency-risk-and-control

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