

17th May 2019

Market Suspension related to Emergency and Restoration

Dear Ofgem,

In accordance with *COMMISSION REGULATION (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (referred to as E&R)*, and *COMMISSION REGULATION (EU) 2017/1485 of 2 August 2017 establishing a guideline on electricity transmission system operation (referred to as SOGL)* the Transmission System Operators (TSO) of a member state are required to submit the following proposals to the relevant regulatory authority.

Market Suspension Rules, comprising of:

- a) the rules for suspension and restoration of market activities, in accordance with E&R Article 36(1);
- b) specific rules for imbalance settlement and settlement of balancing energy in case of suspension of market activities, in accordance with E&R Article 39(1);

and

- c) a proposal specifying the level of demand loss at which the transmission system shall be in the blackout state, in accordance with SOGL Article 18(4).

In Ofgem's¹ "Minded to decision assignment of TSO Obligations under three EU Network Codes" dated 10th January 2018², the obligations to develop the above rules and proposal was assigned to National Grid in its role as Electricity System Operator (NGESO).

This proposal is provided on behalf of National Grid Electricity System Operator (NGESO). NGESO operates the high voltage electricity transmission system in for Great Britain, also operate the Scottish and offshore high voltage transmission systems.

In accordance with E&R Article 36(3), whilst considering the rules for the suspension and restoration of market activities NGESO have considered the harmonisation and compatibility of the rules with the following:

¹ The terms "the Authority" and "Ofgem" are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority (the Authority).

² <https://www.ofgem.gov.uk/publications-and-updates/minded-decision-assignment-tso-obligations-under-three-eu-network-codes>

the rules on provision of cross zonal capacity in the Channel and IU region Both the IU and Channel Region have been developed and approved within GB and are now within an implementation phase. The capacity calculation rules in relation to an emergency state within GB are compatible with this proposal for market suspension.

- (a) rules detailed in Article 33 COMMISSION REGULATION (EU) 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (EBGL) relating to the submissions by balancing service providers of capacity and balancing energy,
- (b) the balanced position at the end of day-ahead time frame rules detailed in Article 18(7) EBGL. This relates to requirements for balancing service providers to provide information on unused generation capacity and other balancing resources from balancing service providers, after the day-ahead market gate closure time and after the intraday cross-zonal gate closure time. It is not expected that NG ESO will require this from Balancing Service Providers and therefore the rules are not accounted for within GB.
- (c) the rules for provision of schedules referred to in SOGL Article 111(1) and (2) namely the generation schedules, consumption schedules, internal commercial trade schedules and external commercial trade schedules.

The existing Market Suspension Rules for the synchronous area of Great Britain are contained in the Balancing Settlement Code (BSC) and the Grid Code. This pre-existing framework has been created under the Electricity Act 1989 and National Grid's transmission licence. Our proposal is that the current Market Suspension rules continue to be held in the existing GB frameworks and that updates required for European Network Code compliance and organic industry changes will follow a modification procedure compliant with the requirements of the EBGL as these rules for market suspension will form part of the terms and conditions referenced by EB GL Article 18 once approved by the Authority.

National Grid propose that the definition for a "Blackout State" within Great Britain is aligned with the current definition of a "Total Shutdown" and remain defined within the Grid Code. The current definition within the Grid Code is detailed within OC 9.4.1 of the Grid Code.

In taking this approach to the proposal for the E&R Market Suspension Rules, and the SOGL blackout state level of demand loss we are following the principle set out in Ofgem's open letter of 18 December 2014 (Implementing the Electricity EU Network Codes³), to only make changes to the existing framework where necessary to ensure compliance with new Regulation.

The detailed market suspension rules proposed are the BSC and Grid Code rules set out in Table 1 attached to this letter. Table 1 in Annex A is provided to help show that the existing Market Suspension rules for GB meet and are compliant with the requirements of E&R Article 35 to 39 as per the GB code references in the columns headed 'code' and 'section' of Table 1. The table maps the EU regulation requirements for Market Suspension Rules to the existing GB frameworks. The mapping of the ER

³ <https://www.ofgem.gov.uk/publications-and-updates/implementing-eu-electricity-network-codes-and-consulting-ofgem%E2%80%99s-proposed-application-process-nemo-designation>

requirements to the GB framework has been developed and reviewed with stakeholder input through the Emergency and Restoration code mapping sessions held in January 2017 and May 2018.

Following approval from Ofgem, NGESO will publish on its website the rules concerning the suspension and restoration of market activities in accordance with E&R Article 36 (2). Pursuant to E&R Article 36(8), no later than the 18th June 2019 NGESO shall submit to ENTSOE the data required to prepare a report assessing the level of harmonisation of the rules for suspension and restoration of market activities.

Communication Procedure

Pursuant to Article 38(1) the rules for suspension and restoration of market activities developed pursuant to E&R Article 36 shall also contain a communication procedure detailing the tasks and actions expected from each party in its differing roles during the suspension and restoration of market activities.

In accordance with E&R 38(2), the communication procedure shall provide that all information is sent simultaneously to at least the following entities:

(a) the parties referred to in E&R Article 35(5);

This includes;

- (i) the TSOs of the capacity calculation regions of which the TSO is a member of; namely the TSOs of the Channel and IU capacity calculation regions. This is achieved through pre-existing interconnector operating protocols.
- (ii) the TSOs with which the TSO has arrangements for the coordination of balancing; namely the TSOs of the Channel and IU capacity calculation regions. This is achieved through pre-existing interconnector operating protocols.
- (iii) the 'NEMO' and other entities assigned or delegated to execute market functions in accordance with Regulation (EU) 2015/1222 within its control area namely Epex and Nord Pool.
- (iv) the TSOs of a load-frequency control block of which the TSO is a member of. This is not applicable as NGESO is the sole System Operator in GB load- frequency control block area. The methodology for GB load- frequency control was approved in July 2018.
- (v) the coordinated capacity calculator of the capacity calculation regions of which the TSO is a member of namely Coreso and TSCNet.

(b) the balance responsible parties namely BSC Trading Parties.

(c) the balancing service providers namely balancing service providers.

(d) the transmission connected DSOs; and

(e) Ofgem

The E&R allows for the suspension of different market activities, most of which are covered by the BSC. In the event of a market suspension activity covered by the BSC, ELEXON, pursuant to BSC Section G3 and as soon as reasonably practicable, will provide a notification to all BSC Parties (which include balance responsible parties) that market activities have been suspended. NGENSO will endeavour to provide the listed parties with estimation and updates on the progress for the restoration of the system, and ELEXON will also pass these NGENSO updates to BSC Parties in accordance with BSC G3. The BSC Panel will determine, in consultation with NGENSO and pursuant to BSC Section G3, when market activities shall resume and ELEXON will notify BSC Parties.

All notifications and updates provided by NGENSO within this proposal shall be published on our website for those entities assigned or delegated to execute market functions. Where it is not possible to provide such notification or website, NGENSO shall inform via email or via any other available means to those parties directly participating in the suspended market activities. In order to maintain a relevant and up to date reference of participants to be informed the National Grid Control room will monitor and update according to any material changes to the parties that will be affected.

No later than 30 days after the market activities have been restored NGENSO, in collaboration with ELEXON, shall prepare a report that contains a detailed explanation of the rationale, implementation and impact of the market suspension and references to the compliance of the rules in relation to market suspension.

This proposal aims to develop a common set of minimum requirements and principles needs to be developed for the procedures and actions to be carried out specifically when in the emergency, blackout and restoration states. This proposal for the rules relating Market Suspension is expected to have a positive impact on the objectives of Emergency and Restoration as, through the requirements in the BSC, and the Grid Code of the Transmission licence, an objective of each code is compliance with “the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency”. The proposal aims to develop a common set of minimum requirements and principles needs to be developed for the procedures and actions to be carried out specifically when in the emergency, blackout and restoration states.

If you have any queries regarding this proposal, please contact Susan Mwape on Susan.Mwape@nationalgrid.com.

Yours sincerely,

Bernie Dolan

EU Codes Change Manager – National Grid Electricity System Operator

Article	Text	Code	Section	Commentary
SOGL 18.3.a	<i>A transmission system shall be in the emergency state when at least one of the following conditions is fulfilled: There is at least one a violation of a TSOs operational security limits defined in accordance with Art 25</i>	Grid Code BSC	OC9.4.1 G3	<i>The market will be suspended in accordance with the rules set out in BSC and Grid Code for a partial and total shutdown.</i>
18.3.b	<i>Frequency does not meet the criteria for the normal state and for the alert state defined in accordance with paragraphs 1 and 2</i>			
18.3.c	<i>At least one measure of the TSOs system defence plan is activated</i>			
18.3.d	<i>There is a failure in the functioning of tools, means and facilities for longer than 30minutes</i>			
18.4	<i>A transmission system shall be in the blackout state when at least one of the following conditions is fulfilled: a) loss of more than 50% of demand in the concerned TSOs control area b) total absence of voltage for at least three minutes in the concerned TSOs control area, leading to the triggering of restoration plans</i>	Grid Code BSC	OC9.4.1 G3	<i>The definition of a “Blackout State” for GB should be aligned with the current definition of “Total Shutdown” and remain defined within the Grid Code. Both have aligned definitions within the BSC and Grid Code.</i>

<p><i>ER</i> 35.1. a</p>	<p><i>A TSO may temporarily suspend one or more market activities laid down where:</i></p> <p><i>a) the transmission system of the TSO is in blackout state</i></p>	<p><i>Grid Code</i></p> <p><i>BSC</i></p>	<p><i>OC 9.4.2</i></p> <p><i>G3</i></p>	<p><i>BSC G3 covers the automatic Market Suspension in a Total Shutdown (blackout state). The Market Suspension Threshold for a partial shutdown is also in G3.</i></p> <p><i>Both have aligned definitions.</i></p>
<p>35.1. b</p>	<p><i>The TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3)</i></p>	<p><i>Grid Code</i></p>	<p><i>OC 9.4.2</i></p> <p><i>G3</i></p>	<p><i>This section of the grid code states that at least one part of the system defence plan is activated in reference to NGESO triggering an emergency procedure “blackstart”</i></p>
<p>35.1. c</p>	<p><i>The continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state, or;</i></p>	<p><i>Grid Code</i></p>	<p><i>OC 9.4.2</i></p>	<p><i>Without an instruction by NGESO to enter into a black start the system would not be able to function as a normal state.</i></p>
<p>35.1. d</p>	<p><i>Tools and communication means necessary for the TSOs to facilitate market activities are not available.</i></p>	<p><i>Grid Code</i></p>	<p><i>OC 9.4.2</i></p>	<p><i>References that the generation in the system has ceased. Generation can be defined as a necessary tool.</i></p>
<p>35.2. a</p>	<p><i>The following market activities may be suspended pursuant to paragraph 1:</i></p> <p><i>a) The provision of cross zonal capacity for capacity allocation on the corresponding bidding zone borders for each market time unit where it is expected that the transmission system shall not be restored to the normal or alert state</i></p>	<p><i>Grid Code</i></p>	<p><i>OC 9.3.2</i></p>	<p><i>Provisions for contingency planning between NGESO and externally connected TSO’s are set out in accordance with CACM agreements. All services are suspended during a Black Start.</i></p>
<p>35.2.b</p>	<p><i>The submission by a balancing service provider of balancing capacity and balancing energy bids</i></p>	<p><i>Grid Code</i></p> <p><i>BSC</i></p>	<p><i>OC 9.4.6,</i></p> <p><i>G3</i></p>	<p><i>Communication to the balancing provider to suspend this activity.</i></p>
<p>35.2. c</p>	<p><i>The provision by a balance responsible party of a balanced position at the end of the day ahead time frames if required by the terms and conditions related to balancing:</i></p>	<p><i>Grid Code</i></p>	<p><i>OC 9.4.6</i></p>	<p><i>NG ESO will not require this from Balancing Service Providers as detailed in the rules for Art 18(7) EBGL relating to the balanced position at the end of day-</i></p>

				<i>ahead timeframe. Notification of suspension will not be required.</i>
35.2. d	<i>The provision of modifications of the position of balance responsible parties</i>	<i>Grid Code BSC</i>	<i>OC 9.4.6 G3</i>	<i>Communication to the balancing provider to suspend this activity.</i>
35.2. e	<i>The provision of schedules referred to in Article 111(1) and (2) of Regulation (EU) 2017/1485 and</i>	<i>Grid Code BSC</i>	<i>OC 9.4.6 G3</i>	<i>This refers to generation, consumption, internal communication, and external schedules namely the PN and ECVN submissions.</i> <i>The referenced Grid Code allows NGESO to inform all “Users which in NGESOs opinion need to be informed”. This can be included under this definition.</i> <i>Suspension of ECVNs and MVRNs is also as defined in the BSC</i>
35.2. f	<i>Other relevant market activities in the suspension of which is deemed necessary to preserve and or restore the system</i>	<i>Grid Code BSC</i>	<i>OC 9.4.6 G3</i>	<i>The referenced Grid Code allows NGESO to inform all “Users which in NGESOs opinion need to be informed”.</i> <i>If the market is suspended, then all BSC activities in the referenced section will be automatically suspended.</i>
35.3	<i>In case of suspension of market activities pursuant to paragraph 1, upon request of the TSO, each SGU shall operate where technically possible at an active power set-point established by the TSO</i>	<i>Grid Code</i>	<i>OC 9.4.7.3</i>	<i>Users are to abide by NGESOs instructions during a black start. This permits SGUs to be a part of NGESOs instructions.</i>
35.4	<i>When suspending market activities pursuant to paragraph 1 the TSO may fully or partially suspend the operation of its processes impacted by such suspension.</i>	<i>Grid Code BSC</i>	<i>OC 9.4 G3</i>	<i>If the market is suspended, then all BSC activities in the referenced section will be automatically suspended.</i>

35.5.a	<p><i>When suspending market activities pursuant to paragraph 1, the TSO shall coordinate at least with the following parties:</i></p> <p><i>a) the TSOs of the capacity calculation regions of which the TSO is a member of</i></p>	Grid Code	OC 9.4.6	<p><i>Users in which NGESOs opinion need to be informed.</i></p> <p><i>NGESO will view these as needing to be informed also detailed in letter.</i></p>
35.5. b	<p><i>The TSOs with which the TSO has arrangements for the coordination of balancing</i></p>	Grid Code	OC 9.4.6	<p><i>Users in which NGESOs opinion need to be informed.</i></p> <p><i>NGESO will view these as needing to be informed also detailed in letter.</i></p>
35.5.c	<p><i>The NEMO and other entities assigned or delegated to execute market functions in accordance with Regulation (EU) 2015/1222 within its control area;</i></p>	Grid Code	OC 9.4.6	<p><i>Users in which NGESOs opinion need to be informed.</i></p> <p><i>NGESO will view these as needing to be informed also detailed in letter.</i></p>
35.5. d	<p><i>The TSOs of a load frequency control block of which the TSO is a member of; and</i></p>	Grid Code	OC 9.4.6	<p><i>Users in which NGESOs opinion need to be informed.</i></p> <p><i>NGESO will view these as needing to be informed also detailed in letter.</i></p>
35.5.e	<p><i>The coordinated capacity calculator of the capacity calculation regions of which the TSO is a member of</i></p>	Grid Code	OC 9.4.6	<p><i>Users in which NGESOs opinion need to be informed.</i></p>

				<i>NGESO will view these as needing to be informed also detailed in letter.</i>
35.6	<i>In case of suspension of market activities each TSO shall launch the communication, procedure set out in Art 38.</i>			<i>Refer to Art 38.</i>
36.1	<i>By 18 December 2018 each TSO shall develop a proposal for rules concerning the suspension and restoration of market activities.</i>			<i>Detailed within this proposal and existing GB rules Grid Code and BSC.</i> <i>There are no changes needed to the existing Grid Code and BSC rules</i>
36.2	<i>TSO shall publish these rules on its website following their approval by the relevant regulatory authority in accordance with Article 37</i>	<i>Detailed within covering letter.</i>		<i>Upon approval from our relevant NRA NGESO will publish on its website the rules concerning the suspension and restoration of market activities.</i> <i>The Grid Code is published on NGESO while the BSC can be found on Elexon's website.</i>
36.3.a	<i>The rules for suspension and restoration of market activities shall be compatible to the extent possible with:</i> <i>a) the rules on provision of cross zonal capacity within the concerned capacity calculation regions;</i>	<i>Detailed within covering letter.</i>		<i>Whilst developing the rules for suspension and restoration of market activities NGESO have considered the harmonization and compatibility of the rules with the following:</i> <i>- the rules on provision of cross zonal capacity with the concerned capacity calculation regions namely the IU and Channel regions.</i>
36.3.b	<i>The rules for submission by balancing service providers of balancing capacity and balancing energy bids resulting from arrangements with other TSOs for the coordination of balancing;</i>	<i>Detailed within covering letter.</i>		<i>- The rules detailed in Art 33 EBGL relating to the rules of submissions by balancing service providers of balancing capacity and balancing energy.</i>
36.3.c	<i>The rules for provision by balance responsible party of a balanced position at the end of day-ahead timeframe if required by the terms and conditions related to balancing;</i>	<i>Detailed within covering letter</i>		<i>- NG ESO will not require this from Balancing Service Providers as detailed in the rules for Art 18(7) EBGL relating to the balanced position at the end of day-ahead timeframe.</i>

36.3.d	<i>Rules for provision of modifications of the position of balance responsible parties; and</i>	<i>BSC</i>	<i>G3</i>	- <i>There are no changes needed</i>
36.3.e	<i>The rules for provision of schedules referred to in Article 111(1) and (2) of Regulation (EU) 2017/1485.</i>	<i>Detailed within covering letter.</i> <i>EBGL</i>	<i>Art 111- Notification of Schedules within scheduling areas.</i> <i>G3</i>	- <i>The rules within the Electricity balancing guideline relating to the following schedules; Generation, Consumption, Internal Commercial Trade, and External Commercial trade.</i>
36.4.	<i>When developing the rules for suspension and restoration of market activities, each TSO shall convert the situations referred to in Article 35(1) into objectively defined parameters taking into account the following factors:</i> <i>(a) the percentage of load disconnection in the LFC area of the TSO corresponding to:</i> <i>(i) the inability of a significant share of balancing responsible parties to maintain their balance; or</i> <i>(ii) (ii) the necessity for the TSO not to follow the usual balancing processes to perform an efficient re-energisation;</i>	<i>BSC</i>	<i>G3</i>	<i>These market suspension thresholds are pre-defined within the BSC for a partial shutdown and total shutdown</i>
36.4.b	<i>the percentage of generation disconnection in the LFC area of the TSO corresponding to the inability of a significant share of balancing responsible parties to maintain their balance;</i>	<i>BSC</i>	<i>G3</i>	<i>These parameters are pre-defined within the BSC.</i>
36.4.c	<i>the share and geographic distribution of unavailable transmission system elements corresponding to:</i> <i>(i) the desynchronisation of a significant part of the LFC area rendering the usual balancing processes counterproductive; or</i>	<i>Restoration Plan</i>	<i>Paragraph X</i>	<i>These parameters are pre-defined within the restoration plan</i>

	<i>(ii) the reduction to zero of cross zonal capacity on a bidding zone border(s);</i>			
36.4.d	<p><i>the inability of the following affected entities to execute their market activities for reason(s) outside their control:</i></p> <p><i>(i) balance responsible parties;</i></p> <p><i>(ii) balancing service providers;</i></p> <p><i>(iii) NEMOs and other entities assigned or delegated to execute market functions pursuant to Regulation (EU) 2015/1222;</i></p> <p><i>(iv) transmission connected DSOs;</i></p>	Restoration Plan	Paragraph X	<p><i>These parameters are pre-defined within the restoration plan.</i></p> <p><i>Balance responsible parties equate to Trading parties within BSC code</i></p>
36.4.e	<p><i>the absence of properly functioning tools and communication means necessary to perform:</i></p> <p><i>(i) the single day-ahead or intraday coupling or any explicit capacity allocation mechanism; or</i></p> <p><i>(ii) the frequency restoration process; or</i></p> <p><i>(iii) the reserve replacement process; or</i></p> <p><i>(iv) the provision by balance responsible party of a balanced position in day ahead and the provision of change of its position; or</i></p> <p><i>(v) the provision of schedules referred to in Article 111(1) and (2) of Regulation (EU) 2017/1485.</i></p>	Restoration Plan	Paragraph X	<p><i>These parameters are pre-defined within the restoration plan.</i></p>
36.5	<p><i>The rules for suspension and restoration of market activities shall define a time delay to be respected for each parameter defined pursuant to paragraph 4, prior to starting the procedure for suspension of market activities.</i></p>	BSC	G3	<p><i>The market is suspended immediately in a total shutdown, from the time that the shutdown commenced.</i></p> <p><i>In a partial shutdown, the market can be suspended sooner than the 72 hour backstop if any other part of the market suspension threshold is met.</i></p>

36.6	<i>The concerned TSO shall assess in real-time the parameters defined pursuant to paragraph 4, on the basis of the information at its disposal.</i>	<i>BSC</i>	<i>G3</i>	<i>The parameters that NGESO needs to monitor are set out within the BSC.</i>
36.7	<i>By 18 December 2020, ENTSO for Electricity shall submit to the Agency a report assessing the level of harmonisation of the rules for suspension and restoration of market activities established by the TSOs and identifying, as appropriate, areas that require harmonisation.</i>			<i>Not a TSO requirement</i>
36.8	<i>By 18 June 2019, each TSO shall submit to ENTSO for Electricity the data required to prepare and submit the report in accordance with paragraph 7.</i>	<i>Detailed in letter.</i>		<i>NGESO to publish this report in 2019.</i>
37.1	<i>The concerned TSO, in coordination with the NEMO(s) active in its control area and with the neighbouring TSOs, shall launch the procedure for the restoration of market activities suspended pursuant to Article 35(1) when:</i> <i>(a) the situation triggering the suspension has ended and no other situation referred to in Article 35(1) applies; and</i> <i>(b) the entities referred to in Article 38(2) have been duly informed in advance in accordance with Article 38.</i>	<i>Grid Code</i>	<i>OC 9.4.7.9</i>	<i>This section in the Grid Code relates to the restoration of the system back to a normal state.</i> <i>The Grid Code states that all users should be informed as soon reasonably possible and that no situation that initially triggered suspension is compromising the integrity of the system at present.</i>
37.2	<i>The concerned TSO, in coordination with neighbouring TSOs, shall launch the restoration of TSO processes impacted by the suspension of market activities when the conditions of paragraph 1 are fulfilled or before, if necessary to restore market activities.</i>	<i>Grid Code</i>	<i>OC9.4.7.9</i>	<i>In making the determination that the total system could return to normal operation states that the above factors amongst others are considered.</i>
37.3	<i>The concerned NEMO(s), in coordination with TSOs and entities referred to in Article 35(5), shall launch the restoration of the relevant single day ahead and/or single intraday coupling processes as soon as the TSO(s) notifies that the TSOs' processes have been restored.</i>			<i>These requirements are covered within bi-lateral agreements with power exchanges.</i> <i>Provision of ECVNs will have been suspended in accordance with BSC G3</i>
37.4	<i>4. When the provision of cross zonal capacity has been suspended and subsequently restored, each concerned TSO shall update the cross zonal capacities for capacity</i>			<i>These requirements are covered within bi-lateral agreements with power exchanges.</i>

	<p><i>allocation by using, from the following, the most feasible and efficient option for each market time unit:</i></p> <p><i>(a) by using the latest available cross zonal capacities calculated by the coordinated capacity calculator;</i></p> <p><i>(b) by launching the regional capacity calculation processes applicable in accordance with Articles 29 and 30 of Regulation (EU) 2015/1222; or,</i></p> <p><i>(c) by determining, in coordination with</i></p>			
37.5	<p><i>When part of the total coupled area where market activities have been suspended is back to the normal state or alert state, the NEMO(s) of this area shall be entitled to execute a market coupling in a part of the total coupled area, in consultation with the TSOs and entities referred to in Article 35(5), provided that the TSO has restored the capacity calculation process.</i></p>			<p><i>These requirements are covered within bi-lateral agreements with power exchanges.</i></p> <p><i>Provision of ECVNs will have been suspended in accordance with BSC G3</i></p>
37.6	<p><i>No later than 30 days after the market activities have been restored, the TSO(s) that suspended and restored market activities shall prepare a report at least in English containing a detailed explanation of the rationale, implementation and impact of the market suspension and a reference to the compliance with the rules for suspension and restoration of market activities and shall submit it to the relevant regulatory authority in accordance with Article 37 of Directive 2009/72/EC, and make it available to the entities referred to in Article 38(2).</i></p>	<p><i>Detailed within covering letter.</i></p>		<p><i>The report shall be published on our website in collaboration with Elexon.</i></p>
37.7	<p><i>The regulatory authorities of the Member States or the Agency may issue a recommendation to the concerned TSO(s) to promote good practices and prevent similar incidents in the future.</i></p>			<p><i>This is not a TSO requirement.</i></p>
38.1	<p><i>The rules for suspension and restoration of market activities developed pursuant to Article 36 shall also contain a communication procedure detailing the tasks and</i></p>	<p><i>Grid Code</i></p>	<p><i>OC9</i></p>	<p><i>The BSC section G3 requires that:</i></p> <p><i>1) NGESO will notify Elexon of the following:</i></p>

	<i>actions expected from each party in its different roles during the suspension and restoration of market activities.</i>	BSC	G3	<ul style="list-style-type: none"> - <i>That a total shutdown or partial shutdown exists</i> - <i>The time and date from which the total shutdown or partial shutdown commenced</i> - <i>The time and date, if applicable, on which the market suspension threshold was met</i> - <i>The operation of the Transmission System during a Black Start</i> - <i>The time that the Total System could return to normal operation</i> - <i>The time at which, if there is no market suspension, the Total System returned to normal operation</i>
38.2	<p><i>The communication procedure shall provide that information is sent, simultaneously, to the following entities:</i></p> <ul style="list-style-type: none"> <i>(a) the parties referred to in Article 35(5);</i> <i>(b) the balance responsible parties;</i> <i>(c) the balancing service providers;</i> <i>(d) the transmission connected DSOs; and</i> <i>(e) the relevant regulatory authority of the concerned Member States in accordance with Article 37 of Directive 2009/72/EC.</i> 			<ul style="list-style-type: none"> - <i>That a Total Shutdown or Partial Shutdown exists</i> - <i>The Settlement Period from which the Total Shutdown or Partial Shutdown commenced</i> - <i>The existence of, and Settlement Period representing the start of, any Market Suspension Period</i> - <i>The operation of BSC Systems and, so far as ELEXON is informed by National Grid, the operation of the Transmission System during a Black Start</i> - <i>The Settlement Period (as determined by the BSC Panel) from which normal market operations, if suspended, shall be restored</i> - <i>The Settlement Period at which, if there is no market suspension, the Total System returned to normal operation</i>
38.3	<p><i>The communication procedure shall include at least the following steps:</i></p> <ul style="list-style-type: none"> <i>(a) the notification by the TSO that market activities have been suspended in accordance with Article 35; (b) the notification by the TSO of best estimate for the time and date for transmission system restoration;</i> <i>(c) the notification by the NEMO and other entities designated to execute market functions according to Regulation (EU) 2015/1222 and to Regulation (EU) 2016/1719 of the suspension of their activities, if any; (d) the updates by the TSOs on the process for restoration of the transmission system;</i> <i>(e) the notification by the entities referred to in points (a) to (d) of paragraph 2, that their market tools and communication systems are operational;</i> 			<p>2) ELEXON will notify all BSC parties of the following:</p> <ul style="list-style-type: none"> - <i>That a Total Shutdown or Partial Shutdown exists</i> - <i>The Settlement Period from which the Total Shutdown or Partial Shutdown commenced</i> - <i>The existence of, and Settlement Period representing the start of, any Market Suspension Period</i> - <i>The operation of BSC Systems and, so far as ELEXON is informed by National Grid, the operation of the Transmission System during a Black Start</i> - <i>The Settlement Period (as determined by the BSC Panel) from which normal market operations, if suspended, shall be restored</i> - <i>The Settlement Period at which, if there is no market suspension, the Total System returned to normal operation</i>

	<p><i>(f) the notification by the TSO(s) that the transmission system has been restored back to normal state or alert state;</i></p> <p><i>(g) the notification by the NEMO and other entities assigned or delegated to execute market functions according to Regulation (EU) 2015/1222 of the best estimate for time and date when market activities will be restored; and</i></p> <p><i>(h) the confirmation by the NEMO and other entities assigned or delegate</i></p>			<p><i>BSC and Non BSC parties with ancillary service contracts will be notified of the system status through BMRS.</i></p>
38.4	<p><i>All notifications and updates by the TSO(s), the NEMO(s) and other entities assigned or delegated to execute market functions referred to in paragraph 3, shall be published on the websites of those entities. When notification or update on the website is not possible, the entity subject to the obligation to notify, shall inform via email, or via any other available means, at least those parties directly participating in the suspended market activities.</i></p>			
38.5	<p><i>Notification pursuant to point (e) of paragraph 3 shall be done via email or via any other available means to the concerned TSO.</i></p>			
39.1	<p><i>By 18 December 2018, each TSO shall develop a proposal for rules for imbalance settlement and settlement of balancing capacity and balancing energy which shall be applicable for imbalance settlement periods during which the market activities were suspended. The TSO may propose the same rules it applies for normal operations. The TSO shall publish these rules on its website following their approval by the relevant regulatory authority in accordance with Article 37 of Directive 2009/72/EC. A TSO may delegate the TSO's tasks referred to in this Article to one or more third parties, provided that the third party can carry out the respective function at least as effectively as the TSO(s). A Member State or, where applicable, a</i></p>	BSC	G3	<p><i>The TSO is allowed to propose the same rules of which are applied in normal circumstances during the imbalance settlement phase.</i></p> <p><i>NGESO will propose the same rules as listed in Section G3 of BSC.</i></p>

	<i>regulatory authority, may assign the tasks referred to in this Article to one or more third parties, provided that the third party can carry out the respective function at least as effectively as the TSO(s).</i>			
39.2	<i>The rules referred to in paragraph 1 shall address the settlements of TSO's and third parties, where relevant, with balance responsible parties, and balancing services providers.</i>	BSC	G 3	<p><i>References the settlements of TSOs and third parties where relevant. Third parties referenced in this Article are BSCCo and the BSC clearer who have been assigned settlement responsibilities under the EB GL requirements for balancing services under BSC and imbalance settlement.</i></p> <p><i>Settlement of balancing services with non-BSC parties and all balancing capacity settlement is performed by NGESO in accordance with the service contract terms.</i></p>
39.3	<p><i>The rules developed in accordance with paragraph 1 shall:</i></p> <p><i>(a) ensure the financial neutrality of each TSO and relevant third party referred to in paragraph 1;</i></p> <p><i>(b) avoid distortions of incentives or counterproductive incentives to balance responsible parties, balance service providers and TSOs; 28.11.2017 EN Official Journal of the European Union L 312/77</i></p> <p><i>(c) incentivise balance responsible parties to strive to be balanced or help the system to restore its balance; (d) avoid any financial penalties imposed on balance responsible parties and balancing service providers due to the execution of the actions requested by the TSO;</i></p> <p><i>(e) discourage TSOs from suspending market activities, unless strictly necessary, and incentivise TSOs to restore the market activities as soon as possible; and</i></p>	BSC	G3	<p>-</p> <p><i>The existing Grid Code and BSC rules do not change the financial neutrality of NGESO or ELEXON during market suspension periods.</i></p> <p><i>BSC third parties are ELEXON and ELEXON Clear. These two parties are not for profit and are required to be financially neutral. The BSC rules during market suspension do not change this.</i></p> <p><i>NGESO is not exposed to imbalance settlement as it is excluded from being a BSC Trading Party.</i></p> <p><i>A BSC Party which is given a 'black start instruction' by the ESO during market suspension periods may seek compensation under the rules set out in BSC section G3. This compensation, if approved, is paid for by BSC Trading Parties. NGESO and ELEXON, and ELEXON Clear are not impacted by this.</i></p>

	<i>(f) incentivise balance service providers to offer services to the connecting TSO that helps restore the system to normal state.</i>			
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