

SPID 04_2024 AGU Definition Modification **Grid Code Modification Report**

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Summary

This report and the supporting documentation are in response to the consultation on the proposed AGU Definition Modification to the Grid Code.

SONI consulted on the modification proposal for a period of 6 weeks during 2024; one response was received. The modification was presented and discussed at the Grid Code Review Panel (GCRP) on 12/06/2024 and the response was discussed at a subsequent meeting of the GCRP on 24/09/2024. The GCRP membership was satisfied that the modification be progressed for approval; despite the fact that material concerns were raised SONI is of the view that these amount to a qualification to the proposed change rather than a fundamental alteration.

The red-line and green-line versions of the proposed DCC modifications are submitted alongside this report as supporting documentation. The consultation response which led to the alteration described above (and detailed in the report which follows) is also submitted. All supporting documentation for the modification proposal is listed in Appendix A.

The modification proposal is thus submitted for approval.

Modification Proposal: AGU Definition

Background and Overview

Aggregated Generating Unit is a defined term in Section GD1 of the Grid Code:

Aggregated Generating Unit

A group of **Generating Units** connected to the **Transmission** or **Distribution System** and represented by a **Generator Aggregator**, each of which must not have a **Registered Capacity** greater than 10 MW. An **Aggregated Generating Unit** with a total **Registered Capacity** of 4 MW or more shall be subject to **Central Dispatch** (and shall therefore be a **CDGU**), but one with a total **Registered Capacity** of less than 4 MW may only be subject to **Central Dispatch** subject to agreement with the **TSO**. Unless otherwise specified by the **TSO** or otherwise in the **Grid Code**, information submitted in respect of an **Aggregated Generating Unit** shall always be at an aggregated level.

However, the definition is not aligned with the Electricity (Northern Ireland) Order.

The definition of an AGU in Section GD1 of the Grid Code implies that each Generating Unit operated as part of an AGU must be <10MW, whereas the Order states that any generating installation providing >10MW is not exempt from the requirement to hold a license.

Thus; co-located generators comprising capacity >10MW (disregarding demand at the same location) must be licensed as a generator, and are thus precluded from market participation as part of an AGU by the Trading and Settlement Code, Part A, Article 5.186.

Analysis & Opinion

The legal hierarchy in force in the sector places statute legislation above industry codes of practice i.e. Grid Code. This compels SONI to modify Grid Code to align with the Electricity (Northern Ireland) Order by modifying the definition of an AGU so as to preclude any arrangement which would contravene licensing requirements. The insertion of a clarification was thus proposed:

The sum of **Registered Capacities** of member **Generating Units** located at a given **User Site** must also be less than 10MW.

(concluding remarks follow the discussion of responses to the Consultation, below)

Consultation responses to proposed Demand Connection Code Modification

One response was received from the Federation of Energy Response Aggregators on September 15th, 2024; see supporting documentation for the full text of the response.

Five concerns were raised with the proposed modification (paraphrasing FERA's response):

1. Persons is not a defined term.
2. Generating station is not a defined term.
3. Member is not a defined term.
4. Export volume and on-site demand are not considered.
5. AGU operators are licensed to aggregate generation, thus, even units comprising >10MW behind a single connection would be covered a license arrangement if aggregated.

SONI responded to the effect that:

1. Persons in this context are the holders of licenses granted under the Order in respect of generation which they own. The term does not appear in the proposed modification.
2. Generating station in this context simply means all generation within a site boundary i.e. fed via the Connection Point of the User Site. Generating Unit and User Site are defined terms, and are capitalised in the text of the sentence proposed to be inserted into GD1
3. The word "member" comes from the GASOA agreements between the Transmission System Operator and Generator Aggregators, where it is defined. It was included with the aim of distinguishing between generation that is, and is not aggregated by an AGU Operator. However this concern is material because that distinction is not listed among the exemptions from licensing requirements stipulated by the Order.
4. The Order as written would not exempt >10MW of capacity net of demand from the requirement to be licensed even if <10MW Maximum Export Capacity was contractually agreed (and the connection assets were rated for same). However; it is true that the 10MW threshold stipulated by the Order is net of Demand at the same premises. This concern is material, and merits a revision of the proposed wording.
5. The wording of the Order does not list participation in an aggregation as a condition exempting the owner of a site comprising >10MW generating capacity from the requirement to hold a license. As such there is no scope to consider that an

aggregator's license fulfils the requirements placed upon the owner of a such a site by the Order.

Conclusion

The proposed modification sought to ensure that Grid Code would be aligned with applicable statute legislation, increasing transparency for parties connecting to the Transmission and Distribution System, and parties seeking to aggregate generation in order to participate in the Integrated Single Electricity Market.

However the GCRP membership via response to SONI's consultation identified two material shortcomings. To address these concerns the modification proposed for implementation is revised as follows:

Aggregated Generating Unit

A group of **Generating Units** connected to the **Transmission** or **Distribution System** and represented by a **Generator Aggregator**, each of which must not have a **Registered Capacity** greater than 10 MW. The sum of the **Registered Capacities** of **Generating Units** located at a given **User Site** must also be less than 10MW, net of **Demand** at that **User Site**. An **Aggregated Generating Unit** with a total **Registered Capacity** of 4 MW or more shall be subject to **Central Dispatch** (and shall therefore be a **CDGU**), but one with a total **Registered Capacity** of less than 4 MW may only be subject to **Central Dispatch** subject to agreement with the **TSO**. Unless otherwise specified by the **TSO** or otherwise in the **Grid Code**, information submitted in respect of an **Aggregated Generating Unit** shall always be at an aggregated level.

The removal of the word "member" and the qualification with regard to demand at the same premises fulfils SONI's aim of aligning the Grid Code with the Electricity (Northern Ireland) Order, while addressing the concerns of the GCRP membership.

Assessment against Grid Code Objectives

This modification seeks to align the Grid Code with Statute, thus respecting the legal hierarchy in effect in the electricity sector in Northern Ireland.

The proposed modification supports the objectives of the Grid Code as it;

- promotes transparency for existing and new Users and market participants, and,
- promotes efficiency in the implementation and administration of Grid Code arrangements.

SONI requests Utility Regulator approval of the AGU Definition Modification

SONI recommends that the Utility Regulator approve this Grid Code modification, suitably altered in light of the concerns raised by FERA.

SONI believe that the approval of this modification will:

- Ensure the accuracy and relevance of the Grid Code
- Ensure the Grid Code is in line with applicable statute legislation

Proposed Implementation Date

SONI believe that early implementation of the modification will benefit both the TSO and Generation Connections in Northern Ireland.

Appendix A – Supporting Documentation

- SPID_04_2024_AGU Definition Change_greenline
- SPID_04_2024_AGU Definition Change_redline
- SPID_04_2024_SGCRP_Mod_12062024_AGU Definition
- FERA consultation response