



AMENDMENT REPORT

CUSC Proposed Amendment CAP122 Change to the definition of Intertrip Payment for Power Park Modules

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP122

Amendment Ref	CAP122
Issue	1.0
Date of Issue	1 st June 2006
Prepared by	National Grid

I DOCUMENT CONTROL**a National Grid Document Control**

Version	Date	Author	Change Reference
0.1	08/05/2006	National Grid	Draft for Industry comment
0.2	15/05/2006	National Grid	Draft for Amendments Panel Recommendation Vote
0.3	22/05/2006	National Grid	Draft for Amendments Panel Members comment
1.0	01/06/2006	National Grid	Formal version for submission to the Authority

b Document Location

National Grid Website:

www.nationalgrid.com/uk/Electricity/Codes/

c Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP122 - Change to the definition of Intertrip Payment for Power Park Modules was proposed by National Grid and submitted to the Amendments Panel on 31st March 2006. The Amendments Panel determined that it was appropriate for the proposal to proceed to wider industry consultation by National Grid. This consultation closed on 5th May 2006.
- 1.2 CAP122 proposes to amend CUSC 4.2A.4 (c) and the associated terms within schedule 3 and 4 of Section 4 and the definitions to limit the payment to one per Power Park Module per trip, instead of one payment per Generating Unit per trip.
- 1.3 CAP076 introduced the System to Generator Operational Intertrip scheme into the CUSC. The scheme has 4 categories and Categories 2 and 4 carry a payment per Generating Unit when the Intertrip is fired. The Intertrip Payment aims to cover the costs of firing the Intertrip.
- 1.4 Power Park Modules were not assessed during the development of CAP076, as the definition was concurrently being developed by a Grid Code Working Group. Consequently the Intertrip Payment per Generating Unit for a Power Park Module in the view of National Grid defeats the underlying philosophy behind CAP076 and the Applicable Objectives i.e. an administered scheme with known and proportional costs.
- 1.5 Therefore CAP122 aims to remove the risk to the Industry of disproportionate costs where a Power Park Module is tripped off the GB Transmission System without changing the operation of the scheme or payments to other generation types.

National Grid Recommendation

- 1.6 National Grid believes CAP122 would better facilitate the CUSC Applicable Objective (b) and as proposer believes it should be approved because it ensures Intertrip Payments for firing a trip at a Power Park Module is proportionate and is consistent with the underlying philosophy behind CAP076.
- 1.7 National Grid recommends that, should the Authority approve CAP122, implementation should be ten business days after the Authority's decision.

Amendment Panel Recommendation

- 1.8 The Panel voted CAP122 DID better facilitate the Applicable CUSC Objectives and was better than the current baseline.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State.
- 2.2 Further to the submission of Amendment Proposal CAP122 (see Annex 2) and the subsequent wider industry consultation that was undertaken by

National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority (“the Authority”) in order to assist them in their decision whether to implement Amendment Proposal CAP122.

- 2.3 CAP122 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 31st March 2006 and the Amendments Panel determined that CAP122 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a ‘summary’ of the representations received is also provided. Copies of each of the responses to the consultation are included as Annex 3 to this document.
- 2.5 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at www.nationalgrid.com/uk/Electricity/Codes/.

3.0 PROPOSED AMENDMENT

- 3.1 CAP122 proposes to amend CUSC 4.2A.4 (c) and creates a new definition of Intertrip Contracted Unit to confine Intertrip Payments to one per Power Park Module per trip, instead of one per Generating Unit per trip.
- 3.2 CAP076 introduced the System to Generator Operational Intertrip into the CUSC with 4 Categories of Intertrip. Categories 2 and 4 both carry a payment rate of £400,000 per Generating Unit per trip when an Intertrip is fired
- 3.3 The Intertrip Payment fee aims to cover a number of costs, such as wear-and-tear arising from the trip, start-up fuel costs to bring the Generator back onto the system and the impact the trip has upon Equivalent Operating Hours. The payment fee assessment was based upon conventional synchronous thermal generators and did not examine the case of Power Park Modules.
- 3.4 The increasing number of renewable generators that may require an operational Intertrip as a condition of connection creates a cost exposure for the industry (even though the probability of such a trip is extremely low) as the Intertrip Payment is paid on a per Generating Unit basis.
- 3.5 A Power Park Module is a collection of non-synchronous Generating Units (for example a wind farm). Therefore, if a wind-farm with either a Category 2 or 4 Intertrip was fired, it could potentially be read from the existing CUSC text that it should be paid on a per Generating Unit basis, not on a Power Park Module basis.
- 3.6 This Amendment therefore removes the risk of disproportionate costs which would be created if a Power Park Module were to be tripped off the transmission system and ensuring the underlying philosophy behind CAP076 and the Applicable CUSC Objectives is achieved.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Proposed Amendment

- 4.1 CAP122 would in the view of National Grid better facilitate CUSC Objective;
- (b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity
- 4.2 It would do this by ensuring the payment costs associated with the firing of a Category 2 or 4 Operational Intertrip at Power Park Module is proportionate.

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid proposes CAP122 should be implemented 10 business days after an Authority decision to ensure this cost risk to the Industry is removed promptly. In accordance with paragraph 8.19.3(b) of the CUSC, views were invited on this proposed implementation date.
- 5.2 No respondents to the CAP122 consultation expressed a view on the proposed implementation date. There is, therefore, no disparity between the view of the Industry and that of National Grid.

6.0 IMPACT ON THE CUSC

- 6.1 CAP122 requires amendments to 4.2A.4(c), Schedule 3 and 4 of Section 4 and Section 11 Definitions of the CUSC. The text required to give effect to the Proposed Amendment is contained in Annex 1 of this document.

7.0 IMPACT ON CUSC PARTIES

- 7.1 CAP122 has no impact upon CUSC parties because as it is a straightforward amendment to ensure the benefits of CAP076 are fully realised.

8.0 IMPACT ON INDUSTRY DOCUMENTS

- 8.1 CAP122 has no impact upon Core Industry Documents or Other Industry Documents as it is a straightforward amendment to ensure the benefits of CAP076 are fully realised.

9.0 IMPACT ON INDUSTRY COMPUTER SYSTEMS OR PROCESSES

- 9.1 CAP122 has no impact upon on Industry Computer Systems or Processes.

10.0 VIEWS AND REPRESENTATIONS

- 10.1 This Section contains a summary of the views and representations made by consultees during the consultation period in respect of the Proposed Amendment.

Views of Panel Members

- 10.2 No views or representations were made by Panel Members in their capacity as Panel Members

View of Core Industry Document Owners

- 10.3 No views or representations were made by Core Industry Document Owners

Responses to Consultation

- 10.4 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive	Comments
CAP122 -CR-01	E.ON UK	YES	
CAP122 -CR-02	Centrica Energy	YES	Centrica is supportive of CAP122 as it will ensure that the risk of disproportionate costs is reduced and refines the relevant CUSC definitions so the original intentions of CAP076 are realised. Centrica also believe CAP122 will better facilitate CUSC objective b. In addition Centrica believe that there is a case to re-examine the payment level in light of the recent and future changes to the generation mix to ensure that Intertrip Payments for wind farms are cost reflective.
CAP122 -CR-03	RWE npower	NO	RWE npower believe CAP122 would be arbitrary and discriminatory against Power Park Modules and a more equitable solution would be based upon £ per MW Registered Capacity of the Generating Unit. RWE npower also believe CAP122 will incentivise wind farm operators to increase the number of Power Park Modules at a site in order to increase the number of Intertrip Contracted Unit and hence Intertrip Payments. In addition they believe the link to the Bilateral Agreement within the definition of Intertrip Contracted Unit would allow National Grid to vary the definitions irrespective of the CUSC requirements. Finally they believe the basis of the

			Capability Payment does not appear to be defined.
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11.0 AMENDMENT PANEL RECOMMENDATION

- 11.1 The CUSC Amendments Panel Recommendation Vote on CAP122 was conducted at the Panel Meeting on 19th May 2006.
- 11.2 In summary the Panel voted CAP122 DID better facilitate the Applicable CUSC Objectives and was better than the current baseline.
- 11.3 Eight of the Panel Members believed CAP122 better facilitated Applicable Objective (a). One of the eight Panel Members stated CAP122 was better than the current baseline but did not believe it was the best solution and raised concerns in line with RWE npowers consultation response. The National Grid Panel Member responded on these points by re-iterating the views that ate also expressed in paragraphs 12.4 – 12.8.
- 11.4 In addition, four of the eight Panel Members also believed CAP122 may also better facilitated Applicable Objective (b). Finally one Panel Member believed CAP122 better facilitated Applicable Objective (b) only.

12.0 NATIONAL GRID RECOMMENDATION

- 12.1 National Grid believes CAP122 would ensure Intertrip Payments for firing a trip at a Power Park Module is proportionate and is consistent with the underlying philosophy behind CAP076. The Proposed Amendment provides greater clarity within the CUSC and includes reference to Power Park Modules and Non-Synchronous Generating Unit which were introduced to the Grid Code in summer 2005; therefore better facilitating CUSC Applicable Objective (b).
- 12.2 With regard to the Panel Member's points at the Amendment Panel Meeting held on 31st March 2006, National Grid believes the linkage to the Bilateral Agreement within the legal text is required as it provides greater clarity within the CUSC for all Generators.
- 12.3 Also National Grid recommends that, should the Authority approve CAP122, implementation should be ten business days after the Authority's decision to ensure the risk is removed from the Industry in accordance with the underlying philosophy of CAP076 and the CUSC Applicable Objectives.
- 12.4 National Grid has confirmed with RWE npower that a Consultation Alternative was not raised and values RWE npowers consultation response but believes the arguments raised are highly unlikely for the following reasons.
- 12.5 A £ per MW of Registered Capacity of the Generating Unit is possible as a method of compensation for Intertrips. However, CAP076 provided a pragmatic response in accordance with the CUSC Applicable Objectives to a wide range of cost impact assessments by conventional synchronous thermal plant and CAP122 does not propose to change the basis approved in CAP076. Consequently in our view it is not discriminatory against Power Park Modules.

- 12.6 It is possible that CAP122 could incentivise wind farm operators to increase the number of Power Park Modules at a site in order to increase the number of Intertrip Contracted Unit and hence Intertrip Payments. However, National Grid believes the drawbacks to the wind farm will outweigh any advantage that may be gained. Increasing the number of Power Park Modules will increase connection costs in terms transformers and BMU etc and also each connection will have to be Grid Code compliant in its own right and the generator will not be able to parallel through, and finally the probability of an Intertrip firing is extremely low.
- 12.7 National Grid and Generators have the ability to agree Commercial Intertrips which do not fall within the 4 Categories of the System to Generator Operational Intertrip. Therefore National Grid believes the linkage to the Bilateral Agreement is required as it provides greater clarity within the CUSC for all Generators.
- 12.8 Finally National Grid disagrees with RWE npower regarding the Capability Payment. CUSC 4.2A.4 clearly defines the basis of the Capability Payment. The payment is made "in consideration of the installation" regardless of the number of Generating Units or the fuel type of the Generator.

13.0 COMMENTS ON DRAFT AMENDMENT REPORT

- 13.1 National Grid received no responses following the publication of the draft Amendment Report.

ANNEX 1 - PROPOSED LEGAL TEXT TO MODIFY THE CUSC

The proposed Legal text to modify the CUSC is detailed below by inserting the coloured underlined text and deleting the text shown stuck through.

Change to CUSC 4.2A.4(c):

4.2A.4(c) subject always to Paragraph 4.2A.5, in respect of each **Category 2 Intertripping Scheme** and **Category 4 Intertripping Scheme**, where the **User's Circuit Breaker(s)** are tripped upon receipt of a signal from the **System to Generator Operational Intertripping Scheme**, **The Company** shall pay to the **User** an amount ("the **Intertrip Payment**") being an amount (£/~~Generating~~ Intertrip Contracted Unit/trip) specified in Schedule 4 to this Section 4.

Section 4 Schedule 3:

**SCHEDULE 3
SYSTEM TO GENERATOR OPERATIONAL INTERTRIPPING - FACSIMILE
FORMS
Part I**

Instruction to arm and disarm System to Generator Operational Intertripping Scheme

From: []

To: []

Time and date instruction issued: []

Category of Intertrip	
Connection Site	
Time and date of arming	
Restricted MW Export Level (MW) post trip	
Special instructions (if any)	
Reason(s) for arming	
Relevant fault(s)	
Generating Unit(s)/BM Unit(s)/ <u>Intertrip Contracted Unit(s)</u> to be armed <u>(delete as appropriate)</u>	
Anticipated duration of arming	
Category of Intertrip	
Connection Site	
Time and date of arming	

Section 4 Schedule 4**SCHEDULE 4
SYSTEM TO GENERATOR OPERATIONAL INTERTRIPPING - PAYMENT RATES**

	Category 1	Category 2	Category 3	Category 4
Capability Payment (£/Settlement Period)	N/A	£ 1.72	N/A	£ 1.72
Intertrip Payment (£/ <u>Generating Intertrip Contracted Unit/Trip</u>)	N/A	£ 400,000	N/A	£ 400,000

All rates in this Schedule 4 are specified at April 2005 base and shall be subject to indexation in accordance with Paragraph 4.5 with effect from 1st April 2006.

END OF SECTION 4

Section 11 – Definitions

New definitions

Intertrip Contracted Unit

(i) in the case of a **Power Park Module**, the collection of **Non-Synchronous Generating Units** which are registered as a **Power Park Module** under the **Grid Code**; and

(ii) all other cases, a **Generating Unit**,

unless, in either case, the **Bilateral Agreement** specifies otherwise.

Non-Synchronous Generating Unit

as defined in the **Grid Code**.

Power Park Module

as defined in the **Grid Code**.

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form		CAP:122
<i>Title of Amendment Proposal:</i> Change to the definition of Intertrip Payment for Power Park modules.		
<i>Description of the Proposed Amendment (mandatory by proposer):</i> It is proposed to change the definition of Intertrip Payments within CUSC 4.2A.4(c) and associated terms, to one payment per Power Park Module instead of one payment per Generating Unit. In our view such a change is consistent with the underlying philosophy behind CAP076 and the applicable CUSC objectives and will remove the risk to the Industry of disproportionate costs were a Power Park Module to be tripped off the transmission system. It is not the intention of this proposal to change the amount payable per trip,(i.e. £400,000), except in the specific context of Power Park Modules.		
<i>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</i> CAP076 introduced four new categories of System to Generator Operational Intertrip into the CUSC. Categories 2 and 4 both carry a payment rate of £400,000 per Generating Unit per trip when the Intertrip is fired. The Intertrip Payment aims to cover a number of costs, such as wear-and-tear arising from the trip and start up fuel costs to bring the generator back onto the system. In addition, part of the Intertrip Payment fee was derived from an assessment of the impact on conventional synchronous thermal generators. However, the increasing numbers of renewable generators that may require an Operational intertrip as a condition of connection creates a cost exposure for Intertrip Payments to the industry, which was not the original intention behind CAP076. The Intertrip Payment is paid on a per Generating Unit basis. A Power Park Module is a collection of non-synchronous Generating Units (for example a wind farm). Therefore, if a wind-farm with either a Category 2 or 4 Intertrip was fired, it could potentially be read from the existing CUSC text that it should be paid on a per Generating Unit basis, not on a Power Park Module basis. This was not the intention behind CAP076 and would expose the Industry to substantial costs, even though the probability of such a trip is extremely low.		
<i>Impact on the CUSC (this should be given where possible):</i> CUSC Section 4 – Balancing Services and Schedule 3 and 4 CUSC Section 11 – Definitions The proposed Legal text to modify the CUSC is detailed in the Annex 1by inserting the coloured underlined text and deleting the text shown stuck through.		
<i>Impact on Core Industry Documentation (this should be given where possible):</i> None anticipated		
<i>Impact on Computer Systems and Processes used by CUSC Parties (this should be given where possible):</i> N/A		
<i>Details of any Related Modifications to Other Industry Codes (where known):</i> N/A		
<i>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** (mandatory by proposer):</i> National Grid believes that changing the payment definition to limit the payment for Category 2 and 4 Intertrips for Power Park Modules would better achieve the applicable CUSC objective: Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity It would do this by ensuring that in the circumstances in which an Operational Intertrip was applied to a Power Park Module, the potential cost associated with the firing of that Intertrip would be proportionate.		
Details of Proposer: Organisation's Name:		National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")		CUSC Party

Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Emma Carr National Grid 01926 655843 Emma.j.carr@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Mark Duffield National Grid 01926 654971 mark.duffield@uk.ngrid.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment: Yes – proposed legal text	

Notes:

1. *Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.*
2. *The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.*

The completed form should be returned to:

Beverley Viney
Panel Secretary
Commercial Frameworks
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: beverley.viney@uk.ngrid.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

3. **Applicable CUSC Objectives**** - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

ANNEX 3 – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 6th April 2006, requesting comments by close of business on 5th May 2006).

Representations were received from the following parties:

No.	Company	File Number
1	E.ON UK	CAP122-CR-01
2	Centrica Energy	CAP122-CR-02

Reference	CAP122-CR-01
Company	E.ON UK



Beverly Viney
Amendments Panel Secretary
Electricity Codes
National Grid House
Warwick Technology Park
Warwick
CV34 6DA

E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
eon-uk.com

Ben Sheehy
024 7642 4287
ben.sheehy@eon-uk.com

10 April 2006

Dear Beverley,

CAP122 – Consultation Document

Thank you for the opportunity to comment on the above document. I am responding on behalf of E.ON UK to confirm that we support the outlined amendments.

Yours sincerely,

Ben Sheehy
Trading Arrangements

E.ON UK plc
Registered in
England and Wales
No 2366970
Registered Office:
Westwood Way
Westwood Business Park
Coventry CV4 8LG

Reference	CAP122-CR-02
Company	Centrica Energy



Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Centrica Energy
Millstream East,
Maidenhead Road,
Windsor,
Berkshire SL4 5GD

Tel. (01753) 431000
Fax (01753) 431150
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Our Ref.
Your Ref.
21 April 2006

Dear Beverley,

CUSC Amendment Proposal CAP122 – Change to the definition of Intertrip Payment for Power Park Modules

Centrica welcomes this opportunity to comment on this Amendment Proposal.

Centrica is supportive of the proposed change, which brings the CUSC up to date as far as Intertrip Payments and Power Park Modules are concerned. The change will ensure that the risk of disproportionate costs relating to Intertrips is reduced, and serves to refine the relevant CUSC definitions such that the original intentions of CAP076 - Treatment of System to Generator Intertripping Schemes - are realised.

It seems clear that if the concept of Power Park Modules had been in place at the time of determination on CAP076, then definitions similar to those proposed in CAP122 would have been included. Centrica therefore believes that CAP122 better facilitates CUSC Objective (b).

With a broader view, however, Centrica is of the opinion that there is a case for re-examining the £400,000 Intertrip Payment, questioning whether it is still valid to have a single payment (and set at this level) across all generation types. We refer in particular to wind farms, which are designed to cope with intermittent generation and therefore would not suffer the same stresses and/or costs as those faced by thermal generating plant. Indeed, Section 3.3 of the consultation document states that the Intertrip Payment fee aims to cover start-up fuel costs, which are nil in the case of wind-powered generation. It could therefore be seen that the Intertrip Payment for a wind farm might be more akin to a windfall than a genuine reflection of costs incurred in provision of a necessary and valuable service. Although the possibility of different levels of payment for different fuel types was addressed during the CAP076 process, recent and future changes in the generation mix might suggest a review of this subject is necessary, particularly as a greater proportion of the future set of wind farms may be directly connected to the Transmission System.

A centrica business

Centrica plc - The group includes British Gas Trading, British Gas Services and Accord Energy
Registered in England No.3033654. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD

If you have any questions regarding this response please ring me on 01753 431137.

Yours sincerely,

Dave Wilkerson
Operations & Transportation

A *centrica* business
Centrica plc - The group includes British Gas Trading, British Gas Services and Accord Energy
Registered in England No.3033664. Registered Office: Millstream, Maidenhead Road, Windsor, Berkshire SL4 6GD

Reference	CAP122-CR-03
Company	RWE npower

RWE npower



Ms B Viney
Panel Secretary
Commercial Frameworks
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
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CV34 6DA

Name John Norbury
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5th May 2006

Dear Ms Viney

**CONSULTATION DOCUMENT - CUSC AMENDMENT PROPOSAL CAP122
CHANGE TO THE DEFINITION OF INTERTRIP PAYMENT FOR POWER PARK MODULES**

Thank you for the opportunity to comment on the above consultation. The following comments are provided on behalf of RWE Npower plc, Npower Cogen Limited, Npower Cogen Trading Limited, Npower Direct Limited, Npower Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited, Npower Yorkshire Supply Limited.

This proposal appears to have been raised by National Grid because it believes that an Intertrip Payment payable in respect of a generating unit associated with a Power Park Module would be inappropriate due to its relatively small size. This anomaly is attributable to the Payment Rates specified in CUSC Schedule 4 failing to differentiate between different sizes of generating units. Whilst we believe that, in most cases, it would be reasonable for the level of compensation payment for an intertrip event to vary with the size of the generating unit involved, we do not agree with the proposed solution.

We note that it is possible for the size of a Power Park Module to exceed the capacity of a conventional generating unit that is subject to Intertrip Payments. Indeed, it is also possible that the size of a generating unit within a Power Park Module may equal or exceed the size of a conventional generating unit that is subject to an Intertrip Payment. We therefore believe that the proposed solution, of treating a Power Park Module as a single generating unit for payment purposes, would be both arbitrary and discriminatory against Power Park Modules. We believe that it would be more equitable for the Intertrip Payment to be based on a £ per MW of Registered Capacity of the generating unit(s) subject to intertrip, such that the level of compensation would relate to the size of the generating units involved.

Without prejudice to the above, the proposed amendment would appear to incentivise wind farm operators to increase the number of Power Park Modules at a site in order to increase the number of Intertrip Contracted Units and hence Intertrip Payments. It would appear more sensible for the Intertrip Contracted Units within a Power Park Module to be defined in terms of a group of generating units that would be required to trip at the same time and in response to the same

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trip signal from the transmission system (i.e. similar to a conventional generating unit). An alternative arrangement, recognising that Power Park Modules may be significant in size, would be to apply the Intertrip Payment separately to each quantum of capacity subject to intertrip, for example each [50] MW of Registered Capacity.

We note that the Proposer wishes to have the right to vary the definition of "Intertrip Contracted Unit" within the Bilateral Agreement. This would effectively allow National Grid to vary the definition irrespective of the requirements of the CUSC. This provision should either be deleted or the definition expanded to include the circumstances under which such a provision might be utilised.

In considering this amendment, we note that the basis of the Capability Payment does not appear to be defined. CUSC 4.2A.4 describes the System to Generator Intertripping Scheme as being the basis of payment but fails to clarify whether such Scheme would apply in respect of a Power Station, a Power Park Module (or part of), or one or more generating units. It would therefore be helpful to clarify this point at the same time as the CAP122 amendment.

I trust you will find the above comments helpful. If you wish to discuss any matters further, please do not hesitate to contact me.

Yours sincerely

John Norbury
Network Connections Manager