



**CONSULTATION ALTERNATIVE
AMENDMENT
CONSULTATION DOCUMENT
CUSC Amendment Proposal CAP124
Clarification of the withholding of payments for
Operational Intertrips**

*The purpose of this document is to
consult on Consultation Alternative
Amendment Proposals for CAP124
with CUSC Parties and other interested
Industry members*

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Prepared by	National Grid

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Name	Organisation
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Interested Parties	Various
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1.0 SUMMARY AND VIEWS

Executive Summary

- 1.1 CAP124 - Clarification of the withholding of payments for Operational Intertrips was proposed by National Grid. Following industry consultation E.ON UK plc have proposed Consultation Alternative Amendment A to address two practical implementation issues they believe exist with CAP124 and National Grid have proposed Consultation Alternative Amendment B.
- 1.2 CAP076 introduced the System to Generator Operational Intertrip scheme into the CUSC. When the Intertrip is fired and the Generator is tripped off the system, National Grid may be required to pay the Generator an Intertrip Payment (Categories 2 and 4 only) and / or Restricted Export Level Payment.
- 1.3 Section 4.2A.5 highlights circumstance when National Grid is not obliged to make an Intertrip Payment or a Restricted Export Level Payment.
- 1.4 CAP124 aims to include an additional clause within section 4.2A.5 expanding upon the current provisions to clarify that a Restricted Export Level Payment or Intertrip Payment may be withheld should the Intertrip operate due to an erroneous signal, when a User has failed to disarm the System to Generator Operational Intertripping Scheme in accordance with an instruction from National Grid.
- 1.5 Consultation Alternative Amendment A adds two additional elements to the original Proposed Amendment. Firstly, additional wording to include a reasonable timescale for a User to respond to an instruction to disarm and secondly the deletion of legal text in CUSC 4.2A.2.2(d) which the proposer believes is unnecessary and may result in Intertrip Payments being refused for trips which occurred as a result of the scheme being legitimately armed.
- 1.6 Consultation Alternative Amendment B is the original Proposed Amendment and the first element of Consultation Amendment A, as discussed above.

National Grids View

- 1.7 National Grid, as the proposer of CAP124 Consultation Alternative Amendment B supports this amendment, believing that it would better facilitate achievement of the Applicable CUSC Objective (a) than the original and Consultation Alternative Amendment A.
- 1.8 National Grid believes the original Proposal does also better facilitate the CUSC applicable Objective (a) but not to the same extent as Consultation Alternative Amendment B and Consultation Alternative Amendment A does not better facilitate the CUSC Objectives.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This is a consultation document 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 CAP124 and the subsequent consultation, this document seeks views from industry members

relating to the Consultation Alternative Amendments for CAP124, proposed by E.ON UK plc and National Grid

- 2.3 CAP 124 was proposed by National Grid and submitted to the CUSC Amendment Panel for consideration at their meeting on 19th May 2006 and the Amendments Panel determined that the issue should proceed to wider industry consultation by National Grid. The consultation concluded on 20th June 2006.
- 2.4 Under the terms of the CUSC there is a requirement for a further period of Consultation to be undertaken in order to allow the Industry to consider the proposed Consultation Alternative Amendments. All the correspondence received in response to the original consultation are contained in Annex 2.
- 2.5 Representations received in response to this consultation document will be included in National Grid's Amendment Report that will be furnished to the Authority for their decision.
- 2.6 This Consultation Alternative Amendment document 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/ along with the Original Consultation Report and the Amendment Proposal form. This document invites views upon the Consultation Alternative Amendment and the **closing date for response is 5 pm on the 11th July 2006.**

3.0 THE CONSULTATION ALTERNATIVE AMENDMENT

Consultation Alternative Amendment A

- 3.1 E.ON UK plc believe that it would be appropriate to make two additional changes to the original Amendment Proposal.
- 3.2 Firstly they proposed amending CUSC 4.2.A.2.1(e) to allow a Generator a reasonable amount of time to respond to an instruction to disarm issued by National Grid in accordance with the System to Generator Operational Intertripping Scheme. The proposer believes that the original Amendment appears to place an obligation on Generators to disarm with immediate effect following the instruction from National Grid.
- 3.3 Consequently the proposer believes that this amendment would reciprocate National Grids obligation within CUSC 4.2A.2.2(d) which states that National Grid will "as soon as reasonably practicable" issue an instruction to disarm when the requirement for the arming of the Intertrip has ceased.
- 3.4 Secondly, Eon proposed amending CUSC 4.2A.2.2(d) to remove the text which states when an armed intertrip has tripped upon the receipt of a signal sent by National Grid in accordance with the System to Intertripping Scheme, that signal will be deemed to be an instruction to disarm. The proposer of CAP124 Consultation Alternative Amendment A believes this provision is not clear and implies that the provisions of the original Amendment would apply to all trips which could result in a Generator being refused payments which occurred as a result of the scheme being legitimately armed.

Consultation Alternative Amendment B

- 3.5 National Grid believes that the first implementation concern identified by the proposer of Consultation Alternative Amendment A is a valid concern which needs to be addressed. National Grid believes it is appropriate for Users to have a reasonable amount of time to respond to an instruction to disarm similar to the obligation upon National Grid to inform Users when the system should be disarmed.
- 3.6 Consequently Consultation Alternative Amendment B is the original Proposed Amendment and the first element of Consultation Amendment A, as discussed above.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Consultation Alternative Amendment A

- 4.1 In the view of the proposer of CAP124 Consultation Alternative Amendment A would better facilitate the CUSC Objective (a) (*the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence*) and is better than the original Amendment Proposal, as it address the two practical implementation issues identified in the original.

Consultation Alternative Amendment B

- 4.2 In the view of National Grid CAP124 Consultation Alternative Amendment B would better facilitate the CUSC Objective (a) (*the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence*) and is better than the original Amendment Proposal and Consultation Alternative Amendment A, as it would clarify when payments will or will not be withheld and ensuring current foreseeable events for the withholding of payments for Operational Intertrips are stated within the CUSC. It also ensures there is a reciprocal obligation on both parties to act as soon as reasonably practicable.

5.0 PROPOSED IMPLEMENTATION

- 5.1 The proposer of the CAP124 Consultation Alternative Amendment A does not disagree with National Grid that CAP124 should be implemented ten Business Days after an Authority decision. National Grid also proposes CAP124 Consultation Alternative Amendment B should be Implemented 10 business days after an Authority decision. In accordance with paragraph 8.19.3(b) of the CUSC, views are invited on this proposed implementation date.

6.0 IMPACT ON CUSC

- 6.1 CAP124 Consultation Alternative Amendment A requires amendments to Sections 4.2A.2.1 (e), 4.2A.2.2 (d) and 4.2A.5 of the CUSC and the text required to give effect to the Consultation Alternative is contained in Annex 1 of this document.
- 6.2 CAP124 Consultation Alternative Amendment B requires amendments to Sections 4.2A.2.1 (e) and 4.2A.5 of the CUSC and the text required to give effect to the Consultation Alternative is contained in Annex 1 of this document

7.0 IMPACT ON INDUSTRY DOCUMENTS

- 7.1 Both Consultation Alternative Amendments have no impact upon Core Industry Documents or Industry Computer Systems/Processes as they are both straightforward amendments to ensure all foreseeable events for withholding payments for Operational Intertrips are included with the CUSC.

8.0 INITIAL VIEW OF NATIONAL GRID

- 8.1 National Grid does not believe that the Consultation Alternative Amendment A would better facilitate the applicable CUSC objectives due to the second element of the proposal for the following reasons.
- 8.2 The CUSC 4.2A2.2(d) provides two ways in which an Intertrip can be disarmed, firstly via an instruction to disarm issued by National Grid and secondly due to deemed instruction when the Intertrip has been fired due to a signal to the Users Circuit Breakers.
- 8.3 The bracketed section of CUSC 4.2A2.2(d) states when an armed intertrip has tripped upon the receipt of a signal sent by National Grid in accordance with the System to Intertripping Scheme, that signal will be deemed to be an instruction to disarm. This means once the Intertrip has tripped the provisions of CUSC 4.2A will apply and any relevant payments would be made (i.e. Category 2 and 4) to the User and the Intertrip will be deemed to be disarmed. After the trip, if National Grid still required the Intertrip to be operational and armed, National Grid is required to notify the Generator to arm in accordance with CUSC 4.2A2.2, therefore re-commencing the System to Intertripping Scheme and ensuring any relevant payments can be made to Users, if the Intertrip is subsequently fired.
- 8.4 CAP124 only applies when National Grid sends an actual signal to disarm and not a deemed instruction to disarm when the Intertrip has been fired.
- 8.5 National Grid believes CAP124 Consultation Alternative B would ensure the withholding payment provisions for Operational Intertrips are complete and clear for both National Grid and Generators and that the obligation to act as soon as reasonably practicable is applicable to both parties. Therefore, this would better achieve CUSC Applicable Objective (a) than the original and Consultation Alternative Amendment A. Consequently Consultation Alternative Amendment B builds upon the intention of the original proposal and incorporates the best elements of Consultation Alternative Amendment A.

9 VIEWS INVITED

- 9.1 National Grid is seeking the views of interested parties in relation to the issues raised by Consultation Alternative Amendment Proposal CAP124.

9.2 Please send your responses to this consultation to National Grid by no later than **5pm on 11th July 2006**.

Please address all comments to the following e-mail address:

Beverley.viney@uk.ngrid.com

Or alternatively, comments may be addressed to:

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

ANNEX 1 – PROPOSED TEXT TO MODIFY CUSC**Consultation Alternative Amendment A**

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

*CUSC Section 4 – Balancing Services:*1. *CUSC 4.2A2.1*

- (e) disarm the **System to Generator Operational Intertripping Scheme** when instructed by **The Company** (in accordance with **Grid Code BC2.8**) by telephone as soon as reasonably practicable (such instruction to be confirmed by facsimile substantially in the form set out in Schedule 3, Part I to this Section 4).

2. *CUSC 4.2A.2.2*

- (d) issue an instruction to disarm, referred to in Paragraph 4.2A.2.1(e), as soon as reasonably practicable following The Company becoming aware that the requirement for arming of the System to Generator Operational Intertripping Scheme has ceased ~~(and such an instruction shall be deemed to have been issued for the purposes of this Paragraph 4.2A upon tripping of the User's Circuit Breaker(s) upon receipt of a signal from the System to Generator Operational Intertripping Scheme).~~

3. *CUSC 4.2A.5 Withholding of payments*

The Company shall not be obliged to make any **Restricted Export Level Payment** or **Intertrip Payment** pursuant to Paragraph 4.2A.4 where the tripping of **BM Unit(s)** or (where relevant) **Generating Unit(s)** comprised in a **BM Unit** occurs:-

- (a) during any period where the **System to Generator Operational Intertripping Scheme** is not instructed by **The Company** to be armed in accordance with Paragraphs 4.2A.2.2(a) and 4.2A.2.2(d); and/or
- (b) where the **User** has failed to arm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(b); and/or
- (c) where the **User** has failed to disarm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(e); and/or

~~(e)~~(d) where the **User** has failed to exercise Good Industry Practice to restrict the export of Active Power from the Connection Site to the Restricted MW Export Level as required by Paragraph 4.2A.2.1(c) (ignoring any export above Restricted MW Export Level where pursuant to an instruction from The Company to provide any Balancing Service(s)); and/or

- ~~(d)~~(e) where no signal is received by the **User's** Circuit Breaker(s) from the System to Generator Operational Intertripping Scheme

Consultation Alternative Amendment B

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

CUSC Section 4 – Balancing Services:

1. *CUSC 4.2A2.1*

- (e) disarm the **System to Generator Operational Intertripping Scheme** when instructed by **The Company** (in accordance with **Grid Code BC2.8**) by telephone as soon as reasonably practicable (such instruction to be confirmed by facsimile substantially in the form set out in Schedule 3, Part I to this Section 4).

2. *CUSC 4.2A.5 Withholding of payments*

The Company shall not be obliged to make any **Restricted Export Level Payment** or **Intertrip Payment** pursuant to Paragraph 4.2A.4 where the tripping of **BM Unit(s)** or (where relevant) **Generating Unit(s)** comprised in a **BM Unit** occurs:-

- (a) during any period where the **System to Generator Operational Intertripping Scheme** is not instructed by **The Company** to be armed in accordance with Paragraphs 4.2A.2.2(a) and 4.2A.2.2(d); and/or
- (b) where the **User** has failed to arm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(b); and/or
- (c) where the **User** has failed to disarm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(e); and/or
- ~~(e)(d)~~ where the **User** has failed to exercise Good Industry Practice to restrict the export of Active Power from the Connection Site to the Restricted MW Export Level as required by Paragraph 4.2A.2.1(c) (ignoring any export above Restricted MW Export Level where pursuant to an instruction from The Company to provide any Balancing Service(s)); and/or
- ~~(e)~~(e) where no signal is received by the **User's** Circuit Breaker(s) from the System to Generator Operational Intertripping Scheme

ANNEX 2 – COPIES OF REPRESENTATIONS RECEIVED TO THE CONSULTATION DOCUMENT

This Annex includes copies of all representations received following circulation of the Consultation Document of CAP124 (circulated on 23rd May 2006, requesting comments by 5pm on 20th June 2006).

Representations were received from the following parties:

No.	Company	File No.
1	EDF Energy	CAP124- CR-01
2	E.ON UK plc	CAP124- CR-02
3	SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.	CAP124- CR-03
4	Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.	CAP124- CR-04

EDF Energy	CAP124- CR-01
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Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid [National Grid House]
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA



07 June 2006

Dear Beverley,

CUSC amendment proposal CAP124: Clarification of the withholding of payments for operational intertrips

EDF Energy is pleased to have the opportunity to comment on the CUSC amendment proposal, CAP124.

We note National Grid's observation that existing clauses in section 4.2A.5 did not clearly state that a Restricted Export Level Payment or Intertrip Payment may be withheld should the Intertrip operate when a user has failed to disarm (the System to Generator Operational Intertripping Scheme) in accordance with an instruction from National Grid.

We agree that the system operator has no way to remotely arm or disarm Intertrips and as such the onus must be placed on the generator rather than the system operator. We therefore consider that the system operator should not have to make payments for any trip caused by a generator failing to disarm.

EDF Energy therefore agree the change would clarify both generator responsibilities and situations whereby payments would not be made, thus better facilitating CUSC Objective (a) of efficient discharge by the licensee of the objectives imposed by the act and the transmission licence.

We hope that you will find these comments helpful.

If you have any queries please do not hesitate to contact me.

Yours sincerely,

David Scott
Analyst, Energy Market Strategy

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2	E.ON UK plc	CAP124- CR-02
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Beverly Viney
Amendments Panel Secretary, Electricity Codes
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

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

Paul Jones
024 7642 4829
paul.jones@eon-uk.com

16 June, 2006

Dear Beverley,

CAP124 – Clarification of the withholding of payments for Operational Intertrips

Thank you for the opportunity to respond to the above amendment consultation. Whilst we agree with the intent of the amendment, we have a number of concerns about its practical implementation and cannot support it in its present form.

We have no issue with what the proposal is attempting to do. If National Grid has instructed a User to disarm an intertrip and it has failed to do so in a suitable length of time, then it is only reasonable that the User should not be recompensed should the intertrip interrupt its generator as a consequence of a transmission system fault in the intervening time. However, two practical implementation issues arise. Both of these can and should be addressed as part of the final solution for CAP124.

We note from the consultation that an issue has arisen regarding what should be considered a reasonable amount of time for a User to respond to a request to disarm an intertrip. In the document reference is made to CUSC 4.2A.2.2(d) saying that it states that a generator should respond to an instruction from National Grid "as soon as reasonably practicable". However, this clause actually refers to an obligation on National Grid, not the generator. The relevant obligation on the generator is contained in CUSC 4.2A.2.1(e) which states that the User agrees to:

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

*“disarm the **System to Generator Operational Intertripping Scheme** when instructed by **The Company** (in accordance with **Grid Code BC2.8**) by telephone (such instruction to be confirmed by facsimile substantially in the form set out in Schedule 3, Part I to this Section 4).”*

Therefore, the obligation appears to be to disarm with immediate effect following the instruction. We believe that the drafting should be changed to include a reasonable timescale for the generator to act. This is important if removal of payment as suggested by CAP124 is to be introduced.

Whilst inspecting CUSC 4.2A.2.2(d), another more fundamental issue with the proposed drafting has arisen. This clause states that National Grid agrees to:

*“issue an instruction to disarm, referred to in Paragraph 4.2A.2.1(e), as soon as reasonably practicable following **The Company** becoming aware that the requirement for arming of the **System to Generator Operational Intertripping Scheme** has ceased (and such an instruction shall be deemed to have been issued for the purposes of this Paragraph 4.2A upon tripping of the **User’s Circuit Breaker(s)** upon receipt of a signal from the **System to Generator Operational Intertripping Scheme**).”*

The text in brackets is the cause of the issue with CAP124. This states that an instruction to disarm the scheme will be deemed to have been made whenever the intertrip actually trips. Firstly, it is not clear why this wording is necessary. Is it the intention that every time a circuit breaker trips the entire scheme has to be disarmed? Secondly, if an instruction is deemed to have been issued whenever a breaker trips then this implies that the provisions of CAP124 apply to all trips. Alternatively, it may be that CAP124 applies only where the generator has failed to disarm the scheme following the deemed instruction to disarm. However, this would still mean that generators could be refused payments for trips which occurred as a result of the scheme being legitimately armed.

In the absence of a strong reason to retain the bracketed text in CUSC 4.2A.2.2(d) the easiest solution would be to remove it.

Yours sincerely

Paul Jones
Trading Arrangements

SAIC Ltd. For and on behalf of: ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.	CAP124- CR-03
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Beverley Viney
 Amendments Panel Secretary
 Electricity Codes
 National Grid
 National Grid House
 Warwick Technology Park
 Gallows Hill
 Warwick
 CV34 6DA

Ref CAP124
Date 19th June 2006

Tel No. 01355 845208
Email: ukelectricityspoc@saic.com

Dear Beverley,

CUSC Amendment Proposal CAP124, Clarification of the withholding of payments for Operational Intertrips

Thank you for the opportunity to comment on the Consultation for CUSC Amendment Proposal CAP124 regarding the Clarification of the withholding of payments for Operational Intertrips. This response is submitted on behalf of ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

In reviewing this Proposal, we have noted that this change will ensure that a generator does not benefit from their mistake in failing to follow an instruction to disarm an intertrip, and that intertrip then being fired inadvertently. As such, we support this change.

Yours sincerely

Gary Henderson

SAIC Ltd.
 For and on behalf of: ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.	CAP124- CR-04
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From: Garth.Graham@scottish-southern.co.uk [mailto:Garth.Graham@scottish-southern.co.uk]
Sent: Tuesday, June 20, 2006 3:08 PM
To: Carr, Emma J
Cc: Viney, Beverley
Subject: Re: CAP107 and CAP124 Consultation Documents

Dear

Sirs,

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.

In relation to the consultation concerning the report associated with CUSC Amendment Proposal CAP124 "Clarification of the withholding of payments for Operational Intertrips" (contained within your note of 23rd May 2005), we have the following comments to make.

We are mindful that the circumstances envisaged by this proposed amendment (an erroneous signal being issued after a Generator has failed to disarm the intertrip following an instruction from National Grid) is likely to be extremely remote.

We are also aware that the principle of CAP124 (to withhold the 'CAP076' payments) seems pragmatic and sensible.

We therefore conclude that the CAP 124 proposal does better facilitate the achievement of the Applicable CUSC Objectives, and in particular (a), when compared to the existing baseline version of the CUSC.

Yours

Faithfully,

Garth
Scottish and Southern Energy plc

Graham