

<b>CUSC Amendment Proposal Form</b>	<b>CAP: 163</b>
<b>Title of Amendment Proposal:</b> <b>Transmission Access – Entry Capacity Sharing</b>	
<b>Description of the Proposed Amendment</b> <i>(mandatory by proposer):</i>  It is proposed to introduce a zonal access product, allowing Generators to connect without wider system access rights and facilitating intra zonal access sharing between Generators on a 1:1 basis.  A local only application will allow users to become connected and begin to operate before any 'wider' reinforcement works are completed. The proposer suggests that 'local' works will be those that would facilitate the efficient exchange of entry rights between users within a zone on a 1:1 basis and facilitates users to gaining access to the wider system rights through other products (redistributed long-term rights or additional short-term rights). The assessment will consider the exact definition of 'local' works and highlight the pros and cons of the preferred definition. The charging arrangements associated with local works, which do not form part of the CUSC, will allow for efficient charging of variations arising from a generation User's choice (design variations) and also ensure that users who share zonal rights, or use short-term rights to access the system, contribute proportionately to the additional in assets required.  Zonal access rights will establish transmission access rights on a zonal rather than nodal level. This will be achieved by monitoring / settling access on a zonal company level. Therefore zonal access rights will implicitly introduce intra zonal access sharing on a 1:1 basis for an individual user. Entry capacity sharing will also extend this concept of sharing to multiple users. It is envisaged that a new Zonal Definition Methodology would establish and govern the definition of the zones. These zones would be applicable across all zonal products and associated charges. Moving to a zonal rather than nodal access regime has the potential to create additional constraints; the analysis in the assessment phase will seek to quantify this.  The process for notifying National Grid of Entry Capacity sharing arrangements between users will be developed during the amendment assessment stage. There are a number of possible models, such as: codifying the sharing through a new CUSC form (ex ante); notifying explicit transfer of rights ex ante; or ex post notification of transferred access rights.  Transition arrangements from the current Transmission Entry Capacity, TEC, will be considered in the amendment assessment stage.	
<b>Description of Issue or Defect that Proposed Amendment seeks to Address</b> <i>(mandatory by proposer):</i>  The current arrangements for transferring entry access rights between CUSC parties are relatively restrictive and cumbersome, limiting the ability of users to maximise the efficient use of the system in real time and restricting the efficient operation of the energy market.  In addition, under the current arrangements, users who release long-term entry rights are committing not to export. This can lead to potential overbooking of long-term rights, delayed connection and a reliance on administered rules for determining the appropriate level of sharing of transmission capacity between users.  Furthermore, the current arrangements do not recognise the future need for more dynamic sharing between users created by the forecast higher plant margins and increases in the levels of intermittent generation.	
<b>Impact on the CUSC</b> <i>(this should be given where possible):</i>  This amendment will most likely require amendment to Sections: 6 (General Provisions) and Section 11 (Interpretation and Definition) of the CUSC. There will also be changes to Section 2 (Connection), Section 3 (Use of System), Section 4 (Balancing Services) and Section 9 (Interconnectors).	

<p>There are also expected to be changes required to the existing bilateral agreements held by generators that constrain access rights (Bilateral Connection Agreement and Bilateral Embedded Generation Agreement). Consistent with this, there are also likely to be changes to the existing exhibits and schedules to the CUSC and possibly the need to introduce additional exhibits and schedules.</p>
<p><b>Impact on Core Industry Documentation</b> <i>(this should be given where possible):</i></p> <p>To be identified during assessment.</p>
<p><b>Impact on Computer Systems and Processes used by CUSC Parties</b> <i>(this should be given where possible):</i></p> <p>Depending on the model adopted by the working group there may be systems required to facilitate the notification of sharing arrangements. It is envisaged these may work right up to real time and possibly after the event and therefore would be considered 'operational'.</p> <p>The submitted sharing information will need to interact with existing and new short term charging and monitoring systems. There would be an interaction with any IS requirements for 'overrun' charging.</p>
<p><b>Details of any Related Modifications to Other Industry Codes</b> <i>(where known):</i></p> <p>The charging methodologies, to develop charging arrangements that charge local applications only consistent with the charging objectives in the electricity transmission licence.</p> <p>The Security and Quality Supply Standard, to be reviewed to consider the implications for design of the GB transmission system where zonal sharing takes place.</p>
<p><b>Justification for Proposed Amendment with Reference to Applicable CUSC Objectives**</b> <i>(mandatory by proposer):</i></p> <p>The proposed amendment would better facilitate the achievement of Applicable CUSC Objectives (a) the efficient discharge by the licensee of the obligations imposed upon it under the Acts and by the licence; and (b) facilitating effective competition in generation, by:</p> <ul style="list-style-type: none"><li>○ Promoting the more efficient use of the transmission system through allowing parties to connect in advance of wider transmission works.</li><li>○ Improving the signals for design of the transmission system through creating an alternative to firm long-term access products priced to reflect asset costs. This would particularly be the case against the forecast increase in plant margins and forecast increase in the use of generation from intermittent sources. This may suit a range of plant types.</li><li>○ Providing for the release of long-term entry access rights from existing plant thus facilitating early entry in to the market for new plant.</li></ul>

<b>Details of Proposer:</b> Organisation's Name:	National Grid
<b>Capacity in which the Amendment is being proposed:</b> (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Patrick Hynes National Grid 01926656319 patrick.hynes@uk.ngrid.com
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Duncan Burt National Grid 01926656703 duncan.burt@uk.ngrid.com
<b>Attachments (Yes/No): No</b> <b>If Yes, Title and No. of pages of each Attachment:</b>	

**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](mailto: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 Electricity Transmission plc Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.