

# CUSC Modification Proposal Form

CMP205

**Title of the CUSC Modification Proposal:** *(mandatory by Proposer)*

Clarification to the Mandatory Services Agreement

**Submission Date** *(mandatory by Proposer)*

19<sup>th</sup> January 2012

**Description of the CUSC Modification Proposal** *(mandatory by Proposer)*

This CUSC Modification Proposal proposes minor changes to CUSC Schedule 2 Exhibit 4 – Mandatory Services Agreement (MSA). These proposed changes aim to update the CUSC Document to reflect changes in the industry and are intended to keep the Exhibit up to date and keep consistency within the CUSC.

These changes aim to include new optional clauses within the MSA for customers to agree to, depending on the category of user they are and the type of connection they are applying for. A change has also been proposed to remove a clause relating to the Restricted Trade Practices Act 1976 which is now repealed so has been recommended for deletion. This is a consequential change to a government decision so is purely housekeeping.

**Description of Issue or Defect that CUSC Modification Proposal seeks to Address:** *(mandatory by Proposer)*

The Mandatory Services Agreement sets out the basic requirements of a Balancing Mechanism Unit (BMU), this agreement will follow the Connection Agreement between National Grid and the BMU.

Recently there have been some changes within the industry which has resulted in some of the clauses within the Mandatory Services Agreement becoming inconsistent with the practice of National Grid's interaction with their customers. The Restrictive Trade Practices Act 1976 was repealed so now is not needed within the MSA, also there has been an increase in Intermittent generation on the system, these need to be accounted for within the MSA. This Modification Proposal seeks to make changes to clauses 4.4, 5 and 10 within CUSC Schedule 2 Exhibit 4 – Mandatory Services Agreement. These changes are described below.

**Clause 4.4**

Clause 4.4 is currently inserted into Mandatory Services Agreements as agreed on a bilateral basis. It confirms the requirement for each BMU to have an indicative Mandatory Services Agreement (MSA) completed prior to commission (ideally 6 months prior). It also makes it the BMU's responsibility to ensure that testing is completed as soon as possible after commissioning so that the MSA can be amended to accurately reflect the capabilities of the BMU.

The current clause 4.4 defines how the levels of Response set out in the response tables within the MSA are indicative figures only during the period in which the relevant Generating unit(s) is being commissioned. It also clarifies that it is the User's responsibility to forward to National Grid levels of response which represent the true operating characteristics of the generating Unit(s) as soon as possible following completion of commissioning. This clause does not make allowances for Power Park Modules and the fact that they may find it difficult to supply such data within the time frame given.

This Modification Proposal seeks to add another optional paragraph within clause 4.4 relating to indicative response levels which would be agreed with customers on a bilateral basis depending on their requirements. This would allow either of the paragraphs in clause 4.4 to be inserted into the MSA. The new optional paragraph within clause 4.4 allows customers to request more time to submit mandatory data to National Grid. This will allow the Users more time for testing after commissioning so that they can submit the true response levels to National Grid. This flexibility is normally accommodated by National Grid in practice as it may be unrealistic for some customers, such as intermittent generators, to provide Response levels within this timescale. When providing response levels to National Grid, it is in the user's best interest to provide accurate readings, which may be

difficult for intermittent generating units to predict. This is because when National Grid schedule to test an intermittent generator it is impossible to know if the unit will be generating on that specific day. This modification seeks to clarify the flexibility within the MSA.

**Clause 5**

Clause 5 refers to the Restrictive Trade Practices Act 1976, which has been repealed by the government therefore this Modification Proposal seeks to remove this clause from the MSA as it is no longer relevant.

**Clause 10**

This Modification Proposal also seeks to include a new clause 10; this would be an optional clause and will only be applicable to Power Park Modules. Clause 10 refers to the fact that Power Park Modules may not have to comply with certain aspects of the Grid Code and CUSC. This is due to the fact that Power Park Modules may use different equipment and may not physically be able to provide certain information. They may also be able to provide additional information; this will also be stated within the MSA. This new clause makes allowances for this and for any specific requirements to be documented in the MSA and to be confirmed as soon as reasonably possible.

Within the MSA, any clauses in the square brackets may be agreed with a customer on a BMU by BMU basis and may be applied as and where needed in bilateral agreements i.e. Clause 10 will only apply to Power Park Modules and either variant of Clause 4.4 may be used as appropriate.

**Impact on the CUSC** *(this should be given where possible)*

This Modification Proposal seeks to change the following part of the CUSC.

CUSC Schedule 2, Exhibit 4 – Mandatory Services Agreement.

- Change of clause 4.4
- Deletion of clause 5
- Insertion of a clause 10

**Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes/No** *(mandatory by Proposer. Assessed in accordance with Authority Guidance – see guidance notes for website link)*

No

**Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information** *(this should be given where possible)*

**BSC**

**Grid Code**

**STC**

**Other**   
*(please specify)*

**Urgency Recommended: Yes / No** *(optional by Proposer)*

No

**Justification for Urgency Recommendation** *(mandatory by Proposer if recommending progression as an Urgent Modification Proposal)*

N/A

**Self-Governance Recommended: Yes / No** (mandatory by Proposer)

Yes

**Justification for Self-Governance Recommendation** (Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)

The proposed changes within the Mandatory Services Agreement will not have any material effect on CUSC parties. The changes being proposed are to reflect changes in the industry and business practices which are already used.

**Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews?** (Mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)

Yes, this Modification Proposal should be considered exempt from the Project Transmit Significant Code Review.

**Impact on Computer Systems and Processes used by CUSC Parties:** (this should be given where possible)

None

**Details of any Related Modification to Other Industry Codes** (where known):

No known related Modifications

**Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:** (mandatory by proposer)

**Please tick the relevant boxes and provide justification:**

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

Under the Transmission licence, this Modification Proposal helps prevent discrimination between different parties, those with Power Park Modules and those without.

(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.

This proposal satisfies objective b, in that it improves clarity of the Mandatory Services Agreement within the CUSC, and therefore better facilitates industry understanding of the document, which will better facilitate competition.

(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

This proposal is neutral under applicable CUSC objective (c)

These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1

<b>Details of Proposer:</b> (Organisation Name)	National Grid Electricity Transmission Plc
<b>Capacity in which the CUSC Modification Proposal is being proposed:</b> (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party

<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Jade Clarke National Grid Electricity Transmission Plc 07825202356 jade.clarke@nationalgrid.com
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Alex Thomason National Grid Electricity Transmission Plc 01926 656379 Alex.thomason@nationalgrid.com
<b>Attachments (Yes/No):</b> <b>If Yes, Title and No. of pages of each Attachment:</b>  <b>CUSC - Schedule 2 Exhibit 4 - Mandatory Services Agreement.</b> <b>Section 4, Paragraphs 4.3, 4.4, 5, 6, 7, 7.1, 7.2, 8, 9 and 10. 4 pages.</b>	

### 4.3 Provision of Frequency Response

#### 4.3.1 The **Parties** agree that:-

- (a) [subject always to Sub-Clause 4.4,] for the purposes of Paragraph 4.1.3.7 of the **CUSC**, the figures set out in the response tables in Appendix 1, Section B, Part I represent the amount of **Primary Response**, **Secondary Response** and **High Frequency Response** referred to therein;
- (b) [subject always to Sub-Clause 4.4,] for the purposes of Paragraph 4.1.3.9 of the **CUSC**, the figures set out in the summary response tables in Appendix 1, Section B, Part II represent the capabilities in respect of **Primary Response**, **Secondary Response** and **High Frequency Response** at given levels of **De-Load** referred to therein;
- (c) for the purposes of Paragraph 4.1.3.4 of the **CUSC**, the table in Appendix 1, Section B, Part III shows the permissible combinations of **Primary Response**, **Secondary Response** and **High Frequency Response** referred to therein;
- (d) for the purposes of Paragraph 4.1.3.9 of the **CUSC**, the figures (if any) set out in the plant configuration table in Appendix 1, Section B, Part II represent the plant configuration adjustment factors referred to therein to be applied where the **BM Unit** is a **CCGT Module**; and
- (e) [subject always to Sub-Clause 4.4,] for the purposes of Paragraph 4.1.3.9A(a) of the **CUSC** in respect of calculation of the **Response Energy Payment**, the response values in Appendix 1, Section B, Part IV represent the Frequency Response Power that is deemed to be delivered in respect of **Primary Response**, **Secondary Response** and **High Frequency Response**.

#### 4.4 **[Commissioning and Provisional Response Levels**

Without prejudice to Paragraph 4.1.3.14 of the **CUSC**, the **User** acknowledges that the levels of **Response** set out in the response tables in Appendix 1, Section B, Parts I, II and IV are indicative figures only during the period in which the relevant **Generating Unit(s)** is being commissioned and the **User** hereby undertakes to use its reasonable endeavours to forward to **The Company** levels of response which represent the true operating characteristics of such **Generating Unit(s)** for inclusion in Appendix 1, Section B, Parts I, II and IV as soon as possible following completion of commissioning.]

#### [\[Indicative Response Levels](#)

[Without prejudice to Paragraph 4.1.3.14 of the \*\*CUSC\*\*, the \*\*Parties\*\* acknowledge and agree that the levels of \*\*Response\*\* set out in Appendix 1,](#)

Section B, Parts I, II and IV reflect either the absence of or incomplete submissions of data required for the purposes of this Clause 4 to be made by the **User** for the relevant **BM Unit(s)** as at the **Commencement Date**, and furthermore the performance of such **BM Units(s)** has not been assessed by **The Company** to establish that such levels of **Response** represent the true operating characteristics of such **BM Unit(s)**, and accordingly:-

(a) to that extent the figures set out in Appendix 1, Section B, Parts I, II and IV for such **BM Unit(s)** are provisional pending:-

(i) the submission by the **User** of such complete data, which the **User** hereby undertakes to provide to **The Company**, and

(ii) subsequent assessment by **The Company** of the performance of such **BM Unit(s)** (based upon demonstration to **The Company** by the **User** of operation of such **BM Unit(s)** and/or the provision by the **User** to **The Company** of such information as **The Company** shall reasonably require) in order to establish to **The Company's** reasonable satisfaction that such figures represent the true operating characteristics of such **BM Unit(s)**; and

(b) upon submission by the **User** of such complete data and following assessment by **The Company** of performance of such **BM Unit(s)** as aforesaid, if **The Company** is of the reasonable opinion that any or all of the levels of **Response** set out in Appendix 1, Section B, Parts I, II and IV do not represent the true operating characteristics of such **BM Unit(s)**, then **The Company** shall so notify the **User** and the **Parties** shall discuss and agree consequential changes to the relevant part or parts of Appendix 1, Section B, Parts I, II and IV to reflect such true operating characteristics,

provided always that such complete data shall be submitted by the **User**, the assessment by **The Company** of the performance of such **BM Unit(s)** shall be completed and (where applicable) any consequential changes to the relevant part or parts of Appendix 1, Section B, Parts I, II and IV shall be agreed by the **Parties**, in each case as soon as reasonably practicable and in any event no later than 6 months after the **Commencement Date** (or such later date as the **Parties** may agree in writing).]

## 5. **NOT USED**

### ~~5. **RESTRICTIVE TRADE PRACTICES ACT**~~

~~Any restriction or information provision (each of those terms having the same meaning in this Clause 5 as in the Restrictive Trade Practices Act 1976) contained in this **Mandatory Services Agreement** shall cease to have effect:-~~

- ~~(i) if a copy of this **Mandatory Services Agreement** is not provided to the Department of Trade and Industry ("**DTI**") within 28 days of the date on which this **Mandatory Services Agreement** is made; or~~
- ~~(ii) if, within 28 days of the provision of that copy to the **DTI**, the **DTI** gives notice of objection to the **Party** providing it.~~

## 6. GENERAL PROVISIONS

Paragraphs 6.12 (limitation of liability), 6.14 (transfer and sub-contracting), 6.15 (confidentiality), 6.18 (intellectual property), 6.19 (force majeure), 6.20 (waiver), 6.21 (notices), 6.22 (third party rights), 6.23 (jurisdiction), 6.24 (counterparts), 6.25 (governing law), 6.26 (severance of terms) and 6.27 (language) and Section 7 (dispute resolution) of the **CUSC** are incorporated into this **Mandatory Services Agreement** mutatis mutandis.

## 7. VARIATIONS

- 7.1 Subject to Sub-Clause 7.2, no variation to this **Mandatory Services Agreement** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.
- 7.2 **The Company** and the **User** shall effect any amendment required to be made to this **Mandatory Services Agreement** by the **Authority** as a result of a change in the **CUSC** or the **Transmission Licence**, an order or direction made pursuant to the **Act** or a **Licence**, or as a result of settling any of the terms hereof. The **User** hereby authorises and instructs **The Company** to make any such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.

## 8. NOTICES

For the purposes of this **Mandatory Services Agreement**, unless and until otherwise notified by the relevant **Party** to the other in accordance with Paragraph 6.21.1 of the **CUSC**, any notice or other communication to be given by **The Company** or the **User** to the other under, or in connection with matters contemplated by, this **Mandatory Services Agreement** shall be sent to the following address and/or facsimile number and marked for the attention of the person named below:

**The Company:**      Address:      National Grid Electricity Transmission plc  
Network Operations  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick CV34 6DA

For the attention of: The Company Secretary

Facsimile number: 01926 655630

Copy to:                      Energy Operations Manager

Facsimile number: 01926 656612

**User:** Address:

For the attention of:

Facsimile number:

9. **BANK ACCOUNT DETAILS**

For the purposes of Paragraph 4.3.2.18 of the **CUSC**, unless and until otherwise notified by the relevant **Party** to the other in accordance with that Paragraph, details of each of the **Party's** bank accounts to which sums payable in connection with this **Mandatory Services Agreement** shall be paid are set out below:

<b>The Company:</b>	Bank:	Barclays Bank plc
	Branch:	54 Lombard Street
	Account Number:	10264113
	Sort Code:	20-00-00
<b>User:</b>	Bank:	[     ]
	Branch:	[     ]
	Account Number:	[     ]

**[10. AGREEMENT TO AMEND THIS MANDATORY SERVICES AGREEMENT**

The **Parties** hereby acknowledge and agree that the terms of this **Mandatory Services Agreement** may require amendment to reflect the fact that the **Mandatory Services** are provided under this **Mandatory Services Agreement** from **Generating Units** within a **Power Park Module**, and that accordingly certain **Grid Code Connection Conditions** and other relevant requirements of the **Grid Code** and the **CUSC** applicable to **BM Unit(s)** may not apply to such **Generating Unit(s)** or may apply in a modified manner. The **Parties** shall discuss in good faith and endeavour to agree such amendments as soon as reasonably practicable and in any event no later than 6 months after the **Commencement Date** (or such later date as the **Parties** may agree in writing).]