

THE NATIONAL GRID COMPANY plc

GRID CODE REVIEW PANEL

**IMPACT OF INTRODUCTION OF NEW TRANSMISSION LICENCE ON THE
GRID CODE**

1. Introduction

- 1.1. The Electricity Transmission Licence granted to National Grid was amended with effect from 1st October 2001 as part of the introduction of Standard Licence Conditions. The Grid Code, in a number of places, cross-refers to the Transmission Licence, in some cases referring to the Condition Number. The Licence Condition numbering has been amended, requiring some minor consequential changes to the Grid Code. This paper is to update Panel Members on the process to reflect those changes.

2. Grid Code Changes required

- 2.1. The changes to the Grid Code required to bring the cross-references into line with the revised Transmission Licence are shown in the Appendix to this paper.

3. The Way Forward

- 3.1. As indicated above, this paper is by way of an update of the process for the changes. The Grid Code provisions in the Transmission Licence, which are now contained in paragraph 2 of Standard Condition 7, require that "the licensee shall (in consultation with authorised electricity operators liable to be materially affected thereby) periodically review the licensee's Grid Code Following any such review, the licensee shall send to the Authoritya report" It is then for the Authority to approve the changes.
- 3.2. National Grid (the licensee) has carried out a review of this issue, and as the required change has no material effect on any authorised electricity operator, the Condition 7 requirements can be met without the need to carry out a consultation. This has been discussed with the Authority to make sure they are happy with this approach, and they have confirmed that they are. We are, therefore, preparing a report to the Authority requesting that the changes identified in this paper be approved. This report will be distributed to Panel Members, as usual. Once approved, revised pages will be sent out in the normal way.

4. Recommendation

- 4.1. The Grid Code Review Panel is invited to note the actions that National Grid intends to take to seek the approval of some minor consequential changes to align the Grid Code with the revised Transmission Licence.

PROPOSED GRID CODE CHANGES

Extract from the Glossary and Definitions

Balancing Principles Statement A statement prepared by **NGC** in accordance with Special Condition ~~7B-AA4~~ of the **Transmission Licence**.

CUSC Contract One or more of the following agreements as envisaged in Supplementary Standard Condition ~~40D-C7E~~ of the **Transmission Licence**:

the **CUSC Framework Agreement**;

a **Bilateral Agreement**;

a **Construction Agreement**

or a variation to an existing **Bilateral Agreement** and/or **Construction Agreement**;

Licence Standards Those standards set out or referred to in Special eCondition ~~42-AA2~~ of the **Transmission Licence**.

NGC Financial Year Bears the meaning given in paragraph ~~1~~ of Supplementary Standard Condition ~~3-1 (Definitions and Interpretation)~~ of the **Transmission Licence**.

Extract from Glossary and Definitions Appendix

Balancing Mechanism	TL	Means the mechanism for the making and acceptance of offers and bids pursuant to the arrangements contained in the BSC and referred to in paragraph 2(a) of <u>Supplementary Standard Condition 7AC3</u> .
CUSC	TL	Means the connection and Use of System Code provided for in paragraph 2 of <u>Supplementary Standard Condition 40FC7E</u> , as from time to time modified in accordance with that Condition.

Extract from the Planning Code

PC.4 PLANNING PROCEDURES

PC.4.1 Pursuant to ~~Supplementary Standard~~ Condition 40-C7G of the **Transmission Licence**, the means by which **Users** and proposed **Users** of the **NGC Transmission System** are able to assess opportunities for connecting to, and using, the **NGC Transmission System** comprise two distinct parts, namely:

- (a) a statement, prepared by **NGC** under the **Transmission Licence**, showing for each of the seven succeeding **NGC Financial Years**, the opportunities available for connecting to and using the **NGC Transmission System** and indicating those parts of the **NGC Transmission System** most suited to new connections and transport of further quantities of electricity (the "**Seven Year Statement**"); and

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