Codes Summary – September 2014

This document provides a summary as to latest developments concerning the various other Industry Codes. Further detailed information can be found at:
http://www2.nationalgrid.com/uk/Industry-information/Electricity-codes/

CUSC

CMP234 (Incorporation of Biddable Indexation of OFTO revenues in TNUoS).
Under Offshore Tender Rounds 1 and 2, the allowed revenue of each appointed OFTO is fully indexed annually to RPI. Ofgem have introduced the option for bidders to specify the proportion of OFTO revenue that they wish to be indexed to RPI. Under these arrangements OFTOs will be able to index a fixed proportion of their annual revenue to RPI and have a proportion that is not indexed to RPI. Local TNUoS tariffs are based upon the proportion of OFTO revenue associated with each asset. Under the existing arrangements these are inflated by RPI each year and reviewed at the start of each price control period. Partially delinking OFTO revenue from RPI will result in associated local TNUoS tariffs increasing at a faster rate than the corresponding OFTO revenue. CMP234 seeks to modify the indexation of Local Offshore TNUoS tariffs to link indexation of OFTO licence instead of RPI which retains the existing principle of linking Local Offshore TNUoS tariffs to OFTO revenue and reflects changes to OFTO licence conditions.
CMP234 is following the Self-Governance route and the CUSC Panel agreed for it to be progressed straight to Industry Consultation.

CMP233 (Amended CUSC Exhibit F (application form for Interconnector and Supplier Use of System applications).
This seeks to make changes to Exhibit F to request more information to ensure that National Grid can process applications effectively and efficiently. CMP233 is being progressed under the Self-Governance route and went straight to consultation. The CUSC Panel is due to hold their determination vote at the September Panel meeting.

BSC

Redevelopment of BMRS
ELEXON is making good progress on redeveloping the Balancing Mechanism Reporting Service (BMRS) website and are closely working with National Grid. The aim is to improve the service offered and increase flexibility for implementing future changes.
ELEXON is on track for delivery in December 2014 of Approved Modifications P291 (reporting of REMIT inside information) and P295 (submission and publication of Transparency Regulation data). Currently it is in the testing phase with successful completion of Factory Acceptance tests. The EMFIP* platform (ENTSO-E's system) is undergoing User Acceptance Testing and National Grid and ELEXON took an early opportunity for uploading outputs from BMRS and MODIS (NG system) onto EMFIP. Participant Testing is scheduled for November.
ELEXON is also finalising the scope of the solution for P297 (Receipt and Publication of New and Revised Dynamic Data Items) for implementation in November 2015. Please contact Zaahir Ghanty at ELEXON for further information.
[*European Market Fundamental Implementation Platform]

P299 (Allow National Grid access to Metering System Metered Consumption data to support the DSBR service)
It is proposed that Half Hourly Data Collectors (HHDCs) provide the Transmission Company (upon request) metered data for those SVA Metering Systems providing Demand Side Balancing Reserves (DSBR).
P299 was approved by the Authority on 30 May 2014 and was implemented on 13 June 2014.

P304 (Reduction in PAR from 500MWh to 250MWh)
National Grid raised P304 and P305 to implement the conclusions of the Electricity Balancing SCR (SCR). P304 proposes to reduce the Price Average Reference (PAR) volume to 250 MWh (making cash-out prices somewhat more sensitive to the marginal cost of balancing) ahead of Winter 2014/15.
The P304 Workgroup had its final meeting last week and the Workgroup's Assessment Report will be presented to the Panel on 11 September after which the Report Phase consultation will be issued on the 12 September for 2 weeks.
The Draft Modification Report will go to the October BSC Panel meeting.

P305 (Electricity Balancing Significant Code Review Developments)
P305 proposes to implement the remaining conclusions of the SCR ahead of Winter 2015/16:

- Further reductions in the PAR volume (to 50MWh from Winter 2015/16, then 1MWh from Winter 2018/19);
- Changing from dual to single cash-out pricing;
- Changing how reserve actions are priced into cash-out using a Reserve Scarcity Pricing (RSP) function; and
- Pricing demand control actions into cash-out at the Value of Lost Load.

The impact assessment will be issued in early September for three weeks.
There will then be a Workgroup meeting on 10 September to discuss and develop the loss of load probability (LoLP) calculation. Another Workgroup meeting is scheduled for w/c 29 September to discuss the results of the impact assessment and the Assessment Report is due to be presented to the BSC Panel on 11 December 2014.

SQSS

On-Going:

GSR008: Regional Variations and Wider Issues: This includes a number of proposed amendments such as: adjusted n-1-1 contingency requirements; the use of dynamic ratings; the assumed reactive power output of generation…etc… This modification was passed to the Authority for a decision in October 2011. Due to the length of time this has been awaiting a decision from the Authority, they have advised that this may now need to be re-consulted upon. We are actively engaging with the Authority but are still awaiting their final conclusions.

GSR010: Review of Onshore Entry Criteria: This aims to revise the requirements for new onshore generation with different levels of connection security based upon the generation capacity and load factor. This modification is on-going. An industry consultation has been carried out and further views are being sought from the industry before a decision is made as to how best to proceed with this proposal.

GSR011: Review of Offshore Networks: This considers the offshore criteria for larger wind farms such as the Round 3 developments. At the August 2014 NETS SQSS Review Panel it was unanimously agreed that this modification is ready to be submitted to the Authority for a decision. This shall happen shortly.

GSR012: Interconnectors: This considers a consistent treatment of interconnectors when planning their local connections and their impact on wider infrastructure requirements. This modification is on-going and the working-group hopes to present their conclusions with respect to local connections at the October 2014 NETS SQSS Review Panel.

GSR014: Offshore Requirements at Onshore Substations: This considers the onshore substation requirements (one or two switch-bays) where offshore cables connect to the onshore network. At the August 2014 NETS SQSS Review Panel it was unanimously agreed

that this modification is ready to be circulated for industry consultation. This shall happen shortly.

GSR015: Normal Infeed Loss Risk: This proposes to reword the definitions of infeed loss risks to avoid increased costs being incurred to procure additional frequency response until additional risks arise. This modification was submitted to the Authority for a decision on 10th March 2014. The Authority subsequently responded that they believe the proposed NETS SQSS wording caused a loss of necessary detail. These issues have since been addressed and this modification was resubmitted to the Authority for a decision on 13th August 2014.

GSR016: Application of Scaling Factors and the Inclusion of Embedded Wind in NETS SQSS Chapter 4 Studies: This aims to determine more realistic dispatch levels for generation, including embedded generation, in local and wider system capability studies. The working-group presented its initial conclusions to the NETS SQSS Review Panel in June 2014. The working-group aims to bring their final report to the October 2014 NETS SQSS Review Panel.

GSR017: Treatment of Switch Faults in Operational Timescales: This is reviewing the risk of switch faults and determining the extent to which switch faults should be secured against given the changing mix of generation and reductions in system strength. The working-group continues to liaise with National Grid's Market Operation function over the appropriate NETS SQSS text revision.

GSR018: Sub-Synchronous Oscillations (SSO): The NETS SQSS Review Panel agreed to progress work to develop and clarify the transmission licensees' responsibilities with respect to sub-synchronous oscillation issues. The first working-group meeting occurred on 21st July 2014 and the working-group is now tasked with providing proposals to discuss at the next meeting.

GSR019: Review of Chapter 7 Double Busbar Requirements: It has been suggested that current interpretation of the NETS SQSS mandates the use of a double busbar (or equivalent) arrangement for the first onshore substation for offshore transmission system connections. However, a Cost Benefit Analysis (CBA) performed by DONG Energy aims to demonstrate that this requirement is not the most economic and efficient solution for all offshore wind-farm connections. It has therefore been proposed that this interpretation within the NETS SQSS for the need to have double busbar substation arrangements is addressed and subject to NETS SQSS Review Panel assessment, this deterministic requirement be removed if no net benefit can be demonstrated for this configuration of switchgear when considering the specific characteristics of offshore generation connections. A working-group has been established that aims to present their initial conclusions at the October 2014 NETS SQSS Review Panel.

Other:

Lack of Reactive Compensation Redundancy in Offshore Transmission Networks: This is a potentially forthcoming modification proposal with respect to the lack of reactive compensation redundancy in offshore transmission networks. Due to modern offshore power park modules moving further away from the shore and having longer AC connections, there is a greater risk that having only a single bank of shunt reactive compensation might cause operational limitations, especially if this shunt compensation is out of service. This issue continues to be further investigated by the Offshore Network Development Team within Network Strategy and a modification proposal may be raised in the near future.

STC

CM056 (Reporting Requirements under EU Transparency Regulation).
In order to demonstrate compliance with Article 10.1c of the Transparency Regulation, it has been deemed necessary that the existing requirements within the STC relating to information exchanges between OFTOs and NGET (as SO) are made more explicit and that more clarity

is provided on exactly which Transparency data items are required to be reported. The STC Panel agreed that CM056 should proceed directly to the Assessment and Report Phase and provisionally recommended that it be approved for implementation.

Operational Forum

The latest Operational Forum was held on 24 June 2014. The areas covered were:

- BSIS and BSUoS 2014/2015
- Future System Operator Incentives
- Summer Outlook
- Tender Procurement update
- Improved Photovoltaic (PV) and Embedded Forecasting
- System Operability Assessment
- Demand Side Balancing Reserve (BSBR)

The presentations from the event are available here

The next meeting will be taking place on 15 October 2014.