

## **Codes Summary – January 2015**

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**

**CMP227 (Reduce the G:D split of TNUoS charges, for example to 15:85)** is proposing to change the split of total TNUoS charges between generation and supply from the current 27:73 to a lower share of charges for generators, suggested to be 15:85, which corresponds with the approach modelled under Project TransmIT. The Workgroup met in October to discuss the responses to the Workgroup Consultation. Due to further analysis being carried out, the Workgroup Report is due to be presented to the CUSC Panel in February 2015.

**CMP235 / CMP236 Introduction of a new Relevant Interruption Type' and 'Clarification of when Disconnection Compensation payments can be expected under a Relevant Interruption** seeks to amend the description of an Interruption to add this type of Emergency Deenergisation by a User as a Relevant Interruption. CMP236 seeks to clarify that where station supplies are disconnected solely by National Grid plant or apparatus and the effect of this is to lose the generating units' output, that this is a Relevant Interruption and that under the CUSC, Interruption payments can include these stations. CMP235 and CMP236 were presented to the CUSC Modifications Panel on 26 September 2014 and the Panel agreed that CMP237 should be amalgamated and developed by a Workgroup. The Workgroup have held 2 meetings and the consultation has been published and is due to report back to the January 2015 CUSC Panel meeting.

**CMP237 Response Energy Payment for Low Fuel Cost Generation** seeks to take into account the different financing approaches of generators with low or negative energy costs for those that receive additional financial incentives, by settling the Response Energy Payment at £0/MWh. CMP237 was presented to the CUSC Modifications Panel on 26 September 2014 and the Panel agreed that CMP237 should be developed by a Workgroup. The Workgroup Consultation has since been published and will report back to the February 2015 CUSC Panel.

**CMP238 Application of Statement of Works process when a modification application is made.** CMP238 proposes to allow a Distribution Network Operator (DNO) to choose to directly submit a Modification Application in respect of a developer connection without first engaging in the Statement of Works process, when the DNO is aware that the connection will have an impact on the Transmission System. The Code Administrator Consultation has been completed and will be reporting back to the January 2015 Panel for the Panel Recommendation Vote.

**CMP239 Grandfathering Arrangements for Small Generator Discount.** CMP239 seeks to implement 'grandfathering' arrangements in the CUSC from the expiry of Licence Condition C13 on 31 March 2016. The proposed arrangements would apply to those generators that currently receive the small generator discount and also to those generators that will connect by 31 March 2016 that would be eligible to receive the small generator discount. CMP239 was raised at the October 2014 CUSC Panel and it was agreed that a Workgroup was required to develop the proposal further. The first Workgroup meeting has been held and the second meeting is planned for January 2015.

**CMP240 Amending the Cancellation Charge liability within a CMP213 Judicial Review Period.** CMP240 seeks to amend the Cancellation Charge liability where notice is given within one Financial Year to disconnect/reduce Transmission Entry Capacity (TEC) effective at the start of the following Financial Year where that notice is given within a 'CMP213 Judicial Review Period' and the following Financial Year is the Financial Year in which

CMP213 is directed by the Authority to take effect. It was presented to the CUSC Panel in November 2014 where it was agreed by majority to progress straight to Code Administrator Consultation. The Code Administrator Consultation has been published and closes on 9<sup>th</sup> January 2015.

## **BSC**

### **BMRS Update**

New additions to the BMRS website went live on 16 December to support the submission and publication of Transparency Regulation data (P295), and inside information reporting (P291), pursuant to the Regulation on Wholesale Energy Markets Integrity and Transparency (REMIT). It is anticipated that primary data owners will commence data population from 4 January when this requirement under the Transparency Regulation becomes effective. The new additions can be accessed via the [BM Reports website](#).

### **Authority approval of P303 alternate solution (Amendments to the Provisions for BSCCo Directors)**

P303 will amend the Code provisions for BSCCo Board Directors, with the aim of increasing the pool of candidates that may apply to fill a position on the BSCCo Board. The Authority rejected the proposed solution but accepted the alternate, as recommended by the BSC Panel, which will remove the 5 year gap criteria for industry independent directors.

### **P305 (Significant Code Review)**

P305 was raised to progress the outcomes of the Electricity Balancing Significant Code Review, and proposes to implement four key changes ahead of Winter 2015/16: reductions in the PAR value and introducing a single imbalance price, Reserve Scarcity Pricing and Value of Lost Load pricing for Demand Control actions. An Assessment Consultation was issued on 15 December with responses due by 14 January.

### **P307 (Amendments to Credit Default Arrangements)**

P307 proposes to extend the duration of the Query Period that is given to a participant prior to entering Credit Default, with the intention that Parties that enter Credit Default have some time during business hours to lodge additional credit. The BSC Panel reviewed the Assessment Report on 13 November and recommended the Modification for approval. Pending Authority approval (expected by 12 February), P307 implementation will be implemented 25 June 2015.

## **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 submitted 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 windfarms 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. GSR011 was formally submitted to the Authority on 18<sup>th</sup> August 2014. We are actively engaging with the Authority but are still awaiting their final conclusions.

**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 presented their initial conclusions with respect to local connections at the October 2014 NETS SQSS Review Panel. Further information with respect to wider infrastructure requirements is expected to follow at the February 2015 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. GSR014 was then formally released for industry consultation on Monday 13<sup>th</sup> October 2014 for a period of 25 working days. The industry consultation closed on Friday 14<sup>th</sup> November 2014 and five responses were received. These are currently being analysed and the Modification Report drafted.

**GSR015: Normal Infeed Loss Risk:** This proposes to reword the definitions of infeed loss risks and unacceptable frequency conditions to avoid increased costs being incurred to procure additional frequency response until additional risks arise. This modification was approved by the Authority on Wednesday 3<sup>rd</sup> December 2014 and the Ofgem Decision Letter is now available on our website. However, for these changes to take effect Ofgem will need to modify the electricity transmission licenses so that they refer to the new version of the NETS SQSS. Since GSR015 is not considered to be time-critical this has not yet been done. Ofgem will do this at an appropriate stage in the future.

**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 and an initial industry consultation document to the February 2015 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 21<sup>st</sup> July 2014 and the working-group is now tasked with providing proposals to discuss at subsequent meetings. It should be noted that at the request of the Grid Code Review Panel (GCRP) this NETS SQSS working-group has absorbed some actions and members from a previous Grid Code working-group also.

**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 February 2015 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, as part of a connection request, and a modification proposal may be raised in the near future.

**Modification of Clause 7.8.1.1 to Allow Single Transformer Offshore Substations of Capacity Greater Than 90MW:** This is a modification proposal presented by Siemens at the December 2014 NETS SQSS Review Panel. It was considered that this is worthy of further analysis and thought and that a working-group should therefore be established. This aims to incorporate as many offshore developers as possible. Working-Group Terms of Reference (WG ToR) are to be presented at the February 2015 NETS SQSS Review Panel.

**Operational Forum**

The latest Operational Forum was held on 15 October 2014. The areas covered were:

- Operational and System Cost Update and BSUoS Forecasting
- System Operator Incentives
- Winter Outlook
- Embedded Generation Behaviours and Customer Demand Management
- Tender Procurement update
- Demand Side Balancing Reserve and Supplemental Balancing Reserve Update
- Short Term Operating Reserve Runway
- Short Term Operating Reserve Outline Change Proposal

The presentations from the event are available [here](#)