Codes Summary – May 2016

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

CMP243 'a fixed Response Energy Payment option for all generating technologies': CMP243 aims to allow all generators, regardless of technology type, the option of choosing whether their Response Energy Payment (REP) is based on the current methodology or a fixed value suggested at £0/MWh. The Report to the Authority has been submitted for Ofgem decision.

CMP244 'Set final TNUoS tariffs at least 15 months ahead of each charging year': CMP244 seeks to increase the length of the notice period for TNUoS tariffs (currently 2 months) to a suggested minimum period of 15 months. The Report to the Authority has been submitted for Ofgem decision.

~~**CMP249 'Clarification of Other Charges (CUSC 14.4) – Charging arrangements for customer requested delay and backfeed':** CMP249 aims to include the principles underpinning the CEC before TEC policy within Section 14 of the CUSC, state the methodology for calculation and clarify in which situations this would be applied.~~ ***Withdrawn***

CMP250 'Stabilising BSUoS with at least a twelve month notice period': CMP250 aims to eliminate BSUoS volatility and unpredictability by proposing to fix the value of BSUoS over the course of a season, with a notice period for fixing this value being at least 12 months ahead of the charging season. The Workgroup are currently at the post Workgroup stage agreed options for WACM with a view to returning to the September CUSC Panel with a Workgroup Report.

CMP251 'Removing the error margin in the cap on total TNUoS recovered by generation and introducing a new charging element to TNUoS to ensure compliance with European Commission Regulation 838/2010': CMP251 seeks to ensure that there is no risk of non-compliance with European Regulation 838/2010 by removing the error margin introduced by CMP244 and by introducing a new charging element to the calculation of TNUoS. The Modification is currently out for Code Administrator Consultation.

CMP255 'Revised definition of the upper limit of Generation Charges in the charging methodology with removal of the reference to the 27% charging cap': CMP255 aims to remove the requirement for the generation allocation of costs to revert to 27% if the limits to generation charges imposed by European Commission Regulations no longer apply. The Report to the Authority has been submitted for Ofgem decision.

CMP256 'Potential consequential changes to the CUSC as a result of CMP244': CMP256 proposes that any sections of the CUSC outside of Section 14 are modified to reflect any changes to Section 14 deemed appropriate by the CMP244 Workgroup. The Report to the Authority has been submitted for Ofgem decision.

CMP259 'Clarification of decrease in TEC as a Modification': CMP259 aims to amend the CUSC to enable a User to request both a TEC reduction and a subsequent TEC increase in the form of a single modification application to National Grid. The Workgroup Consultation

has closed and the Workgroup has voted, the Workgroup Report will be reported back to July Panel.

CMP260 'TNUoS Demand charges for 2016/17 during the implementation of P272 following approval of P322 and CMP247': CMP260 aims to give the option for metering systems that are registered on Measurement Class E-G on or before 01/04/2016 to be treated as HH for the purposes of calculating the actual annual liability up until the full charging year after the implementation date of P272. The Report to the Authority has been submitted for Ofgem decision.

CMP261 'Ensuring the TNUoS paid by Generators in GB in Charging Year 2015/16 is in compliance with the €2.5/MWh annual average limit set in EU Regulation 838/2010 Part B (3)': CMP261 aims to ensure that there is an ex post reconciliation of the TNUoS paid by GB generators during charging year 2015/16 which will take place in Spring 2016 with any amount in excess of the €2.5/MWh upper limit being paid back, via a negative generator residual levied on all GB generators who have paid TNUoS during the period 1 April 2015 to 31 March 2016 inclusive. The Modification is currently out to Workgroup Consultation until 28th July 2016.

CMP262 'Removal of SBR/DSBR costs from BSUoS into a 'Demand Security Charge': CMP262 was proposed by VPI Immingham and aims to create a new cost recovery mechanism, a "Demand Security Charge" specifically for recovery of all SBR/DSBR costs, which is only levied on demand side Balancing Mechanism Units (BMUs). The Panel rejected urgency but the Authority has granted the modification urgent timescales. The Workgroup Consultation has closed and the Workgroup has voted, the Workgroup Report will be reported back to a special CUSC Panel in July.

CMP264 'Embedded Generation Triad Avoidance Standstill': CMP264 raised by Scottish Power seeks changes to the Transport and Tariff Model and billing arrangements to remove the netting of output from New Embedded Generators until Ofgem has completed its consideration of the current electricity transmission Charging Arrangements (and any review which ensues) and any resulting changes have been fully implemented. The Workgroup is currently formulating the Workgroup Consultation in accelerated timescales.

CMP265 'Gross charging of TNUoS for HH demand where embedded generation is in Capacity Market': CMP265 raised by EDF Energy aims to address the issue that half hourly metered (HH) demand for TNUoS purposes is currently charged net of embedded generation. Urgency status was requested by not granted. The Workgroup is currently formulating the Workgroup Consultation in accelerated timescales.

CMP266 'Removal of Demand TNUoS charging as a barrier to future elective Half Hourly settlement.': CMP266 was proposed by National Grid and aims to prevent double charging of TNUoS for a meter electing to be HH settled, all demand within Measurement Class F & G will be charged under the TNUoS NHH methodology from April 2017 up until HH settlement is mandatory for all consumers.It is currently waiting for its first Workgroup.

STC

CM057 'Proposal to amend Section D: Planning Co-ordination of the STC to reflect the changes due to the implementation of the Integrated Transmission Planning and Regulation (ITPR) project': granted self-modification status.

CM058 'Amendment of Schedule 3 to reflect the changes introduced by Integrated Transmission Planning and Regulation (ITPR), namely the introduction of the Network Options Assessment': granted self-modification status.

SQSS

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. We are actively engaging with the Authority and expect the publication of their decision soon.

GSR011: Review of Offshore Networks: This considers the offshore criteria for larger wind farms such as the Round 3 developments. This modification was submitted to the Authority for a decision in August 2014. We are actively engaging with the Authority and expect the publication of their decision soon.

GSR012: Interconnectors: This considers a consistent treatment of interconnectors throughout the NETS SQSS when planning their local connections and their impact on wider infrastructure requirements. The working-group is due to present their working-group report to the NETS SQSS Review Panel soon.

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 2015 NETS SQSS Review Panel it was unanimously agreed that this modification is ready to be submitted to the Authority for a decision. The modification report is currently being finalised and shall be submitted to the Authority thereafter.

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 in 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, such as when further modifications are approved.

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 NETS SQSS Review Panel is coming under increased pressure to conclude this modification. As a consequence this may now be wrapped up with a new piece of work concerning the Security and Economy Planned Transfer Conditions as detailed below.

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. At the February 2016 NETS SQSS Review Panel, it was agreed that GSR017 could be closed if National Grid, as proposer, confirm that the modification is not required at this time.
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. A working-group report has been approved and consulted upon. The working-group is due to present their modification report to the NETS SQSS Review Panel soon. Once approved, this shall be submitted to the Authority.

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. The working-group is due to present their working-group report to the NETS SQSS Review Panel soon.

GSR021: NETS SQSS Criteria for 220kV Transmission Assets: Traditionally, 220kV has not been a standard operating voltage on the GB onshore transmission system. However, the Kintyre-Hunterston subsea link currently under construction and due to be commissioned in 2015 will be the first 220kV installation on the GB network. The NETS SQSS currently does not specify planning or operational criteria for onshore transmission system assets operated at 220kV. This modification proposal therefore intends to review the current version of the NETS SQSS and proposes to include 220kV in the planning and operational criteria of the onshore transmission system. A working-group report has been approved and consulted upon. A modification report has subsequently received NETS SQSS Review Panel approval and was submitted to the Authority for a decision on 23 December 2015. We are awaiting their response.

G**SR022: Design of Main Interconnected Transmission System (MITS)**: It is proposed to review the assumptions used to set power system transfer conditions for design of the MITS. These conditions are covered in Chapter 4 of the NETS SQSS and are referred to as the "Security Planned Transfer Condition" and the "Economy Planned Transfer Condition". For the 2015 Future Energy Scenarios (FES), lower levels of thermal generation capacity in later years cause the "Security Planned Transfer Condition" to break down. Additionally, it is agreed that the scaling of different types of generation and external system connections in the application of the "Economy Planned Transfer Condition" should be reviewed. Reviewing the two conditions will ensure that their use continues to identify accurately the future need for transmission infrastructure reinforcement. A working-group will shortly be established.

Concluded:

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. Following an inconclusive industry consultation, a guidance note with suggested approaches has been produced. This guidance note was approved at the April 2015 NETS SQSS Review Panel and formally replaces any official submission to the Authority to request a change to the NETS SQSS. GSR010 is therefore now considered as concluded and closed.

GSR020: Modification of Clause 7.8.1.1 to Allow Single Transformer Offshore Substations of Capacity Greater Than 90MW: This modification proposal was submitted by Siemens to the December 2014 NETS SQSS Review Panel. A working-group was subsequently established that has recently concluded that no change to the NETS SQSS is required; rather a simple clarification of the relevant clauses and definitions is needed. This has been addressed via an open letter to the industry that was published in November 2015. GSR020 is therefore now considered as concluded and closed.

Operational Forum

National Grid's latest Operational Forum was held on the 29th June 2016 and topics consisted of the Summer Outlook 2016, an EBS update and a Look Ahead to Winter 2016/17 & Winter

Case Study - Long Notice Supplemental Balancing Reserve (SBR) among other things. The next meeting will be held on 19 October 2016. Information and slides are published on our website at the link below:

http://www2.nationalgrid.com/UK/Industry-information/Electricity-transmission-system-operations/Electricity-Operational-Forum/