Codes Summary

This document provides a summary as to latest developments concerning the various other Industry Codes:

CUSC

The last meeting of the **CUSC Amendments Panel** took place on 29th September 2006. The following items were discussed:

- CAP125: Revisions Resulting from Interconnector Separation - The Panel decided that CAP125 should proceed to industry consultation.
- CAP126: Clarification of the applicability and definition of Qualifying Guarantee and Independent Security - The Panel decided that CAP126 should proceed to a working group for a two month assessment period.
- CAP127: Calculation and Securing of Value at Risk - The Panel decided that CAP127 should proceed to a working group for a three month assessment period.
- CAP128: Removal of Section 10 – Transitional Issues - The Panel decided that CAP128 should proceed to industry consultation.
- CAP129: Removal of section B from Exhibit F and amend 6.17 - The Panel decided that CAP129 should proceed to industry consultation.
- CAP130: CUSC Connection Application Fees - The Panel decided that CAP130 should proceed to industry consultation.
- CAP131: User Commitment for New and Existing Generators – CAP131 should proceed to a working group for a three month assessment period.
- CAP132 -139: Housekeeping Amendments - The Panel decided that CAP132-39 should proceed to industry consultation in accordance with the CUSC Housekeeping process.

The next meeting of the **CUSC Amendments Panel** is scheduled for 27th October 2006

BSC

The **BSC Panel** meets on 12th October 2006. The main items for discussion are:

- Assessment Report for Modification Proposals P204 (Scales Zonal Transmission Losses)
- New Modification Proposal P207 (Introduction of a new Governance Regime to Allow a Risk Based Performance Assurance Framework (PAF) to be Utilised and Reinforce the Effectiveness of the Current PAF).

Grid Code

The **Grid Code Review Panel** met on 21st September 2006. The main items for discussion were the following proposed amendments:

- Low Frequency Demand Disconnection Relay Settings;
- Control and System Telephony; and
- Management of No System Connections.

All of which will proceed to industry wide consultation.

The **consultation document for C/06** (Control Telephony Electrical Standard) closed on 19th September 2006, a total of 8 responses were received.

Charging

The **Charging User Group** (ChUG) was held at National Grid House on 11th September 2006, the minutes of which are available to STC Committee Members. The next meeting is due to be held at Bellshill on 9th January 2007.

Condition 5 (Publication of Long-Term Tariffs) - an information paper was sent out on 13th September 2006.

Condition 6 (Charging Arrangements for Site Specific Maintenance) - a draft report was sent out on 11th September 2006, with any comments due by 9th October 2006.

Condition 2 (Incremental Cost of Capacity) and **Condition 4** (Long Term Fixed Access Products) - a paper on the proposed changes to the Statement of Use of System Charging Methodology was sent out on 31st August 2006, with any comments due by 30th September 2006, only minor comments were received.

TO Price Review

Updated proposals were published on 26th September 2006, and are available on the Ofgem website: - http://www.ofgem.gov.uk.

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT
As at 4th October 2006

This document contains the Amendment Registers for the CUSC, STC, BSC, TCMF & Grid Code and is correct as of the above date.

The most up to date versions may be found at the following websites:

STC: **www.nationalgrid.com/uk/Electricity/Codes/sotocode/**
CUSC: **http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/**
BSC: **www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx**
TCMF: **www.nationalgrid.com/uk/Electricity/Charges/TCMF/**
Grid Code: **www.nationalgrid.com/uk/Electricity/Codes/gridcode/reviewpanelinfo/**

All documents referred to in the Amendment Register are available on the National Grid STC website.

CA022 Amendments to Section H resulting from CA013

Proposer	National Grid	**Submitted**	14/08/06	**Submitted Priority**	Normal

Amendment Description

The Amendment Proposal proposes to add two additional sub-paragraphs to Section H (Dispute Resolution) of the STC that were inadvertently omitted during the development of CA013 (TEC Exchange Rate Request Process).

CA013 added a new Part Three of Section D to the STC, including two paragraphs, 1.4 and 2.7 which described matters that would be potentially disputable in accordance with paragraph 4.1 of Section H. Section H is structured so that all such disputable matters are listed in paragraphs 4.3 and 4.4. The new paragraphs introduced by CA013 should have therefore been listed in paragraph 4.4 of Section H but this change was inadvertently omitted.

CA022 proposes to correct this by adding two additional sub-paragraphs, 4.4.14 and 4.4.15, to Section H, which will refer to paragraphs 1.4 and 2.7 of Section D, Part Three, respectively. It will also make it clear that disputes in reference to TEC Exchange fall under the provisions of paragraph 4.4 and not 4.3.

Current status and progress

CA022 (Amendments to Section H resulting from CA013) was proposed by National Grid and discussed at the August STC Committee meeting. The Committee decided that CA022 should proceed directly to the Assessment and Report Phase.

The Committee reviewed and signed-off the Proposed Amendment Report at September's STC Committee meeting. Proposed Amendment Report circulated to the industry for consultation on 22nd September 2006. Consultation period closes on 6th October 2006.

CA021 Exchange of Investment Planning Data

Proposer	National Grid	**Submitted**	11/04/06	**Submitted Priority**	Normal

Amendment Description

This amendment proposes changes to paragraph 2.4.3 (and 2.4.2) of Schedule 3 of the STC to allow Parties to disclose specific data to Transmission Owners on an enduring basis for the purposes of transmission investment planning, specifically stability studies.

The current provisions of paragraph 2.4.3 of Schedule 3 will expire on 30 September 2006. However, in the view of the proposer, there is a continuing need for this data to be provided to enable all Parties to meet their Licence obligations. It is therefore proposed that this data exchange is made permanent, but that the relevant sections of Schedule 3 are made more specific about the data that can be disclosed.

Current status and progress

CA021 Exchange of Certain Investment Planning Data was proposed by National Grid and was discussed at the 18th April 2006 STC Committee meeting. The Committee decided to take forward CA021 to the Evaluation Phase, meeting was held on 8th May 2006 to discuss further. The Committee AGREED at the 17th May 2006 meeting that the Evaluation phase was complete for CA021 and a Proposed Amendment Report should be drafted.

The Committee reviewed and signed-off the Proposed Amendment Report for Industry Consultation. Sent out for Industry consultation on 27/06/2006. Close of consultation on 11th July 2006.

No consultation responses received. Final Amendment Report submitted to Authority on 14th July 2006.

Authority approved CA021 on 8th August 2006. CA021 was implemented on 15th August 2006.

CA020 GB Transmission System Performance Reporting

Proposer SPTL **Submitted** 14/03/06 **Submitted Priority** Normal

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the development of a statement by which the GB Transmission System performance can be measured and for the production of the associated report. The production of the statement and the report are licence requirements on National Grid. It is a licence requirement on the TOs that they provide assistance to National Grid in the production of the report.

The proposed amendment is based upon existing STC processes by which the Transmission Licensees co-operate to produce the Seven Year Statement.

Current status and progress

CA020 GB Transmission Performance Reporting was proposed by SPTL and discussed at the March 2006 STC Committee meeting. The STC Committee decided for CA020 to go forward to the Evaluation phase.

A teleconference took place on 11th April 2006 to discuss the legal text. At the 18th April 2006 STC Committee meeting the Committee AGREED for CA020 to move to Assessment and Report Phase.

Consultation closed on 6th June 2006, no responses received. Final Amendment Report submitted to Ofgem for determination on 20/6/2006.

Authority approved CA020 on 24th July 2006. CA020 was implemented on 31st July 2006.

CA019 Assessment of the Impact of Certain Embedded Power Stations

Proposer SPTL **Submitted** 20/02/06 **Submitted Priority** Normal

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the Working Group Alternative Amendment 1 to CUSC Amendment Proposal CAP097, which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. SPTL is also proposing an Alternative Amendment to CA019, which would facilitate the revised process proposed by the CAP097 Consultation Alternative Amendment 1 proposed by CE Electric UK.

Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

The Authority rejected CA019 on 14th June 2006 (In line with STC recommendation)

CA018 Removal of the Restriction on Proposing Alternative Amendments

Proposer National Grid **Submitted** 14/02/06 **Submitted Priority** Normal

Amendment Description

This Amendment Proposal seeks to remove from the STC the restriction that each Party may only propose one Alternative Amendment. Paragraph 7.2.2.8 of Section B of the STC currently limits Parties to proposing only one Alternative Amendment. This has proved to be overly restrictive, particularly when developing STC amendments to "back-off" CUSC amendment proposals, which may contain a greater number of Alternatives.

Current status and progress

CA018 Removal of the Restriction on Proposing Alternative Amendments was discussed at the February Committee. The Committee decided that CA018 could proceed to the Assessment & Report Phase. At the March Committee meeting the Committee decided the Proposed Amendment Report to be sent for consultation for 10 business days.

Consultation closed on 6th April 2006. No industry responses received. At the STC Committee meeting on 18th April 2006 the Committee decided to submit to the Authority for determination. Amendment Report Submitted to Authority on 19th April 2006. Authority approved CA018 on 31st May 2006. Implementation date is 7th June 2006.

CA017 Assessment of the Impact of Certain Embedded Power Stations

Proposer National Grid **Submitted** 13/12/05 **Submitted Priority** Normal

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the Working Group Alternative Amendment 1 to CUSC Amendment Proposal CAP097, which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. National Grid is also proposing an Alternative Amendment to CA017, which would facilitate the revised process proposed by the CAP097 Consultation Alternative Amendment 1 proposed by CE Electric UK.

Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

The Authority rejected CA017 on 14th June 2006 (In line with STC recommendation).

CA016 Modification Applications in Respect of Certain Embedded Power Stations

Proposer	National Grid	**Submitted**	13/12/05	**Submitted Priority**	Normal

Amendment Description

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

This Amendment Proposal reflects the original CUSC Amendment Proposal CAP097 (as proposed by National Grid), which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. National Grid is also proposing an Alternative Amendment to CA016, which would facilitate the revised process proposed by both the CAP097 Working Group Alternative Amendment 2 and the CAP097 Consultation Alternative Amendment 3 proposed by SP Transmission & Distribution.

Current status and progress

CA019 was discussed at the February Committee meeting. CA019 and Alternative have been proposed by SPTL as alternatives to CA017 and Alternative. This is linked to CA016 and CA017, and follows discussions at the CA016/17 working group held on 09/01/06, 01/02/06 and 15/02/06. At the March Committee meeting it was decided a Teleconference will be held to signoff the Proposed Amendment Report.

A teleconference took place on 3rd April 2006. Committee decided to send out for Industry Consultation – Industry Consultation closed on 20th April 06. One Response was received. At the STC Committee meeting on 27th April 2006 the Committee AGREED to submit to the Authority. Amendment Report Submitted to Authority on 27th April 2006.

Ofgem have approved CA016 Alternative Amendment on 14th June 2006. Implementation date of 14th July 2006.

All documents referred to in the Amendment Register are available on the National Grid CUSC website.

CAP132-139 Housekeeping Amendments

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

Housekeeping Amendments

Current status and progress

- CAP132-139 was presented to the September 2006 Panel meeting. The Panel decided that CAP132-139 should follow the housekeeping process.

CAP131 User Commitment for New and Existing Generators

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

This Amendment Proposal adds a new section to the CUSC defining the principles of User Commitment. By "User Commitment", we mean;

1. defining the monies to be secured by generators for incremental TEC; and
2. defining the ongoing liabilities of existing generators to incentivise TEC reduction information.

Current status and progress

- CAP131 was presented to the September 2006 Panel meeting. The Panel decided that CAP131 should proceed to working group for 3 months.

CAP130 CUSC Connection Application Form – Fixed and Variable Application Fees

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

It is proposed to amend the CUSC Application Forms within Exhibits B (Connection Application), D (Use of System Application), I (Modification Application) and Q (BELLA Application) to provide information to applicants regarding their choice in application fee between fixed and variable fee and to include a tick box to request applicants to indicate their application fee choice.

Current status and progress

- CAP130 was presented to the September 2006 Panel meeting. The Panel decided that CAP130 should proceed to industry consultation.

CAP129 — Removal of CUSC 6.17 and section B from Exhibit F

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

It is proposed to remove CUSC 6.17 and Section B from Exhibit F of the CUSC for Use of System Applications (Suppliers or Interconnector Users), as the provisions are no longer required, consequently this causes confusion for new applicants.

Current status and progress

- CAP129 was presented to the September 2006 Panel meeting. The Panel decided that CAP129 should proceed to industry consultation.

CAP128 — Removal of Section 10 – Transitional Issues

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

It is proposed to remove Section 10 (Transitional Issues) of the CUSC. This relates to issues arising out of the transition from the MCUSA., this is no longer required as MCUSA was replaced in 2001.

Current status and progress

- CAP128 was presented to the September 2006 Panel meeting. The Panel decided that CAP128 should proceed to industry consultation.

CAP127 — Calculation and Securing of Value at Risk

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

Section 3 - Credit Requirements (calculation of security for Demand TNUoS)

Value at Risk (VAR) is the maximum amount of Use of System liability that any User is required to secure ("Security Requirement").

It is the intention of this proposal to ensure that the CUSC more clearly reflects both the value and variability of the true value at risk throughout the year. Hence, National Grid propose an amendment to the CUSC that seeks to implement a calculation of VAR for Demand TNUoS charges that is more closely aligned to the monetary value at risk and actual risk of exposure to non payment, and to more appropriately define the way in which VAR has to be secured.

Current status and progress

- CAP127 was presented to the September 2006 Panel meeting. The Panel decided that CAP127 should proceed to working group for 3 months.

CAP126 Clarification of the applicability and definition of Qualifying Guarantee and Independent Security

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

Currently within CUSC Section 3, a '**Qualifying Guarantee**' and '**Independent Security Arrangement**' are open to misinterpretation. The proposal seeks to rectify this issue and better align the CUSC to the original intention of Ofgem's Best Practice Guidelines, as follows;

- To move **Qualifying Guarantees** from being Collateral (i.e. part of the Security Amount) to instead determining the **User's Allowed Credit**;
- To clarify that these **Qualifying Guarantees** can only be provided by a Parent Companies;
- To clarify that where Parent Companies provides **Qualifying Guarantees** for more than one User, the **Qualifying Guarantees** in aggregate cannot exceed the value of **User's Allowed Credit** that would be extended to the Parent Company if it were a User; and
- To clarify that **Independent Security** can only be provided by entities other than a Parent Company

Current status and progress

- CAP126 was presented to the September 2006 Panel meeting. The Panel decided that CAP125 should proceed to working group for 2 months.

CAP125 Revisions Resulting from Interconnector Separation

Proposer National Grid **Submitted** 21/09/06 **Submitted Priority** Normal

Amendment Description

The amendment proposes to remove certain provisions in the CUSC relating to the French Interconnector. Historically, this was part of National Grid Electricity Transmission plc ("NGET" or "The Company"), but on 14th August 2006 was transferred to a separate legal entity, National Grid Interconnectors Ltd ("NGIL"), as part of the process of interconnector licensing. It is now appropriate to amend the CUSC to reflect the consequential effects of this separation on the CUSC obligations relating to the roles of Interconnector Error Administrator and Interconnector Owner.

Current status and progress

- CAP125 was presented to the September 2006 Panel meeting. The Panel decided that CAP125 should proceed to industry consultation.

CAP124 Clarification of the withholding of payments for Operational Intertrips

Proposer National Grid **Submitted** 11/05/06 **Submitted Priority** Normal

Amendment Description

It is proposed to change section 4.2A.5 to include an additional provision expanding upon the current clauses to clarify that a Restricted Export Level Payment or Intertrip Payment will be withheld should the Intertrip operate when a User has failed to disarm the System to Generator Operational Intertripping Scheme in accordance with an instruction from National Grid.

Current status and progress

- CAP124 was presented to the May 2006 Panel meeting. The Panel decided that CAP124 should proceed to industry consultation. The consultation report was circulated on 23 May 2006 with a closing date of 20 June 2006. A CAA was proposed by E.ON and a second period of consultation commenced on 27 June, which concluded on 11 July 2006. The Panel voted that CAAB better facilitated the applicable objectives of the CUSC on 28 July 2006. The Draft Amendment Report was circulated to the Panel on 2nd August 2006 to ensure their vote was captured correctly, with a closing date of 9th August 2006 for any comments. The Amendment Report was issued to the Authority on 15th August 2006. The Authority approved CAAB on 6 September 2006 for implementation on 20 September 2006.

CAP123 Quorum at Amendment Panel meetings held via teleconference

Proposer National Grid **Submitted** 23/03/06 **Submitted Priority** Normal

Amendment Description

CAP123 proposes to change CUSC 8.9.2 to ensure the available conference provisions within CUSC 8.7.8 can be fully utilised and that meetings held via this provision are capable of being a quorate meeting of the Amendments Panel.

Current status and progress

CAP123 was presented to the March 2006 Panel meeting. The Panel decided that CAP123 should proceed to industry consultation. The consultation report was circulated on 3 April 2006 with a closing date of 25 April 2006. The Draft Amendment Report was circulated on 27 April 2006 with a closing date of 5 May 2006. The Panel voted that the amendment better facilitated the applicable objectives of the CUSC on 19 May 2006, The draft Amendment Reports was circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. The Amendment Report was issued to the Authority on 1 June 2006. The Authority approved the Amendment on 23 June 2006 for implementation on 7 July 2006.

CAP122 Change to the definition of Intertrip Payment for Power Park Modules

Proposer National Grid **Submitted** 23/03/06 **Submitted Priority** Normal

Amendment Description

CAP122 proposes to change the definition of Intertrip Payments within CUSC 4.2A.4(c) and associated terms, to one payment per Power Park Module instead of one payment per Generating Unit. In our view such a change is consistent with the underlying philosophy behind CAP076 and the applicable CUSC objectives and will remove the risk to the Industry of disproportionate costs were a Power Park Module to be tripped off the transmission system.

It is not the intention of this proposal to change the amount payable per trip, (i.e. £400,000), except in the specific context of Power Park Modules.

Current status and progress

CAP122 was presented to the March 2006 Panel meeting. The Panel decided that CAP122 should proceed to industry consultation. The consultation report was circulated on 6 April 2006 with a closing date of 5 May 2006. The Panel voted that the amendment better facilitated the applicable objectives of the CUSC on 19 May 2006, The draft Amendment Report was circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. The Amendment Report was issued to the Authority on 1 June 2006. The Authority approved the Original Amendment on 6 July 2006 for implementation on 20 July 2006.

CAP121 Amendment to Outturn Reconciliation

Proposer National Grid **Submitted** 23/03/06 **Submitted Priority** Normal

Amendment Description

CAP121 proposes to change the CUSC provision CUSC 2.14.3 (c) in circumstances where Outturn Reconciliation cannot be completed within one year of the Completion Date, thus providing both National Grid and the Generator with the flexibly to agree mutually acceptable timescales to complete the reconciliation process. Where mutual agreement cannot be reached, the existing 12 month period would remain in force.

Current status and progress

CAP121 was presented to the March 2006 Panel meeting. The Panel decided that CAP121 should proceed to industry consultation. The consultation report was circulated on 4 April 2006 with a closing date of 26 April 2006. The Draft Amendment Report was circulated on 28 April 2006 with a closing date of 8 May 2006. The Panel voted that the amendment better facilitated the applicable objectives of the CUSC on 19 May 2006. The draft Amendment Report was circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. The Amendment Report was issued to the Authority on 1 June 2006. The Authority approved the Amendment on 27 June 2006 for implementation on 11 July 2006.

CAP120 Connection Application Form – Alternative Connection Offers in England & Wales and Scotland

Proposer National Grid **Submitted** 23/03/06 **Submitted Priority** Normal

Amendment Description

CAP120 proposes to change the CUSC Application Form for Bilateral Connection Agreements, (CUSC Exhibit B) to include additional questions to ascertain whether an Applicant has or intends to make an alternative application for connection in England & Wales or Scotland (or vice versa) to enable National Grid to ensure disclosure of information within National Grid is managed in accordance with National Grid Licence Special Condition M.

An alternative connection application is when an Applicant applies for multiple connections to the GB transmission system at different locations and at least one location is outside National Grid's Transmission area i.e. Scotland and where the Applicant does not intend to connect at all the locations which they have applied for, but intends to connect at a location which is most beneficial for their project. Please note this does not apply to competing offers between the Scottish TO's, as no advantage can be gained by National Grid and the normal procedures for confidentiality shall apply.

The proposer requests and recommends that this Amendment Proposal proceeds straight to Industry Consultation for a period of 2 weeks as we believe that it would be beneficial to make this change in a timely way.

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Current status and progress

CAP120 was presented to the March 2006 Panel meeting. The Panel decided that CAP120 should proceed to industry consultation. The consultation report was circulated on 3 April 2006 with a closing date of 25 April 2006. The Draft Amendment Report was circulated on 27 April 2006 with a closing date of 5 May 2006. The Panel voted that the amendment better facilitated the applicable objectives of the CUSC on 19 May 2006. The draft Amendment Reports was circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. The Amendment Report was issued to the Authority on 1 June 2006. The Authority approved the Original Amendment on 6 July 2006 for implementation on 20 July 2006

CAP119 Clarification of, and correction to, the table of Users' Credit Allowances

Proposer National Grid **Submitted** 19/01/06 **Submitted Priority** Normal

Amendment Description

CAP 119 proposes to update the table for Users' Credit Allowances as a % of unsecured Credit Cover.

Current status and progress

CAP119 was presented to the January 2006 Panel meeting. The Panel decided that CAP119 should proceed to industry consultation. The consultation report was circulated on 2nd February, with a closing date of 16 February 2006. A second period of consultation commenced on 21 February, which will conclude on 7 March 2006. The Draft Amendment Report was circulated on 23 March 2006. The Panel voted on 31 March 2006 for the Original Proposal. The Amendment Report was issued to the Authority on 26 April 2006. The Authority approved the Original Amendment on 1 June 2006 for implementation on 15 June 2006.

CAP107 Redefinition of Response Energy Payment (REP) for Mandatory Frequency Response

Proposer E.On **Submitted** 08/12/05 **Submitted Priority** Normal

Amendment Description

CAP107 seeks to make a change to the calculation of Response Energy Payment under section 4.1.3.9A of CUSC so what a generator pays, or is paid, is its First Bid Price, for changes in energy output which occur as a result of delivering frequency response.

Currently the Response Energy is priced at a reference price which is the average of the time weighted average System Buy Price and time weighted average System Sell Price for the preceding calendar month.

By paying, or charging the relevant BMU a price equivalent to its First Bid Price, the generator concerned is able to more closely reflect its actual costs.

Current status and progress

CAP107 was presented to the December Panel Meeting. The Panel determined that CAP107 should proceed to consideration by the BSSG acting as a Working Group for a period of 3 months, presenting their Final Working Group Report to the March Panel Meeting. The Authority agreed to a month extension at the CUSC Panel meeting 24 February 2006. The Working Group will now report to April Panel Meeting. At the CUSC Panel Meeting on the 31 March 2006 the Authority agreed to an extension due to the proposed cancellation of the April meeting. The Working Group reported to the May Panel Meeting, where it was decided to proceed to Industry Consultation. The Consultation Document was issued 23 May 2006 with a closing date of 20 June 2006 for comments. A Draft Amendment Report is to be circulated to the industry for 5 days prior to the July CUSC Panel. The Panel voted on 28/07/06 for WGAAB as being the best option with a 3 month implementation from the Authority decision. The Draft Amendment Report was circulated to the Panel on 4th August 2006 to ensure their vote was captured correctly, with a closing date of 11th August 2006 for any comments. The Amendment Report was issued to the Authority on 16th August 2006. The Authority approved WGAAB on 28 September 2006 for implementation on 28 December 2006.

CAP097 Revision to the Contractual Requirements for Small and Medium Embedded Power Stations under 6.5

Proposer National Grid **Submitted** 21/07/05 **Submitted Priority** Normal

Amendment Description

This Amendment Proposal clarifies NGC's requirements from Embedded Small and Medium Power Stations in order to efficiently discharge its obligations imposed through the Transmission Licence and the Act. In setting out the requirements this Amendment Proposal recognises the Grid Code LEEMPS proposal in relation to the NGC/ DNO / Medium Power Station interfaces and seeks to ensure the CUSC processes under CUSC 6.5 are consistent with the requirements of the Grid Code.

This Amendment Proposal therefore includes additional requirements that whilst stand-alone support proposals by the LEEMPS working group under the Grid Code. The Grid Code changes are based on an indirect relationship between NGC and Embedded Medium Power Stations, facilitated via the DNO. The DNO would ensure the Embedded Medium Power Station complies with the relevant requirements of the Grid Code, including the provision of information to allow NGC to assess the impact of an Embedded development on the Transmission System.

Current status and progress

CAP097 was presented to the July Panel. The Panel determined that CAP097 should be considered by a Working Group and present their Final Report to the October Panel. The Working Group presented their Final Report to the Panel on 28th October. The Panel determined that CAP097 should proceed to wider industry consultation. The Consultation commenced on 10th November 2005, until the 12th December 2005. Consultation Alternatives were proposed during the Original Consultation period. The Consultation Alternative Consultation Document was circulated on 23rd December until 11th January 2006. The Draft Amendment Report was circulated on 23 January 2006. The Panel voted on 24 February 2006 for CAA1 as being the best option with a 10 day implementation. The Final Amendment Report was submitted to the Authority on 15th March 2006 for their consideration and determination. The Authority approved CAA2 Amendment on 14 June 2006 for implementation on 14 July 2006.

Grid Code Consultation Papers - Current Status Report – 4th October 2006

Paper Ref.	Grid Code Change Reference	Current Status	Data Provided	Notes
C/06	Control telephony Electrical Standard	Consultation	30th August 2006	Consultation closed on 19th September. A total of 8 replies were received.

P 207 Introduction of a risk based Performance Assurance Framework

Proposer	Carol Pitkeathley
Organisation	ENERGYWATCH
Raised	29/09/2006
Process	NORMAL
Authority Report Date	N/A
Modification Group	TBC

Modification Description

This Modification proposes to introduce appropriate new governance arrangements to allow a risk based Performance Assurance Framework (PAF) to be utilised and to reinforce the effectiveness of the current PAF. It builds on the work undertaken in the recent PAF Review.

Current progress

An IWA in respect of P207 will be presented to the BSC Panel on 12 October 2006.

Current Status

ELEXON Committee/ BSC Panel

Status update

29-Sep-06

P 206 Publication of BSC Panel Election Results

Proposer	Ben Sheehy
Organisation	E.ON UK PLC
Raised	03/08/2006
Process	NORMAL
Authority Report Date	N/A
Modification Group	GSMG

Modification Description

Annex B-2 of the Code should be amended to require BSCCo to disclose the number of preference votes received in each voting round by candidates standing for election to the BSC Panel. Subject to approval, this amendment should be implemented from the submission date of this Modification Proposal, in order to disclose the 2006 election results.

Current progress

On 14 September 2006, the BSC Panel submitted P206 to a 2 month Assessment Procedure, with an Assessment Report to be presented to the Panel on 09 November 2006.

Current Status

Assessment Procedure

Status update

21-Sep-06

P 205 Increase in PAR level from 100MWh to 500MWh

		Modification Description	Current progress	Current Status
Proposer	Chris Welby	The purpose of this modification is to amend the PAR level introduced with the introduction of P194 of 100MWh to 500MWh, which will lessen the impact of P194 on smaller parties, in particular variable renewable generators, within the market.	Final Urgent Modification Report issued to the Authority for determination on 15 September 2006. This report recommended that the Proposed Modifications should be made.	Authority
Organisation	GOOD ENERGY LTD			**Status update**
Raised	05/07/2006			15-Sep-06
Process	URGENT			
Authority Report Date	15 September 2006			
Modification Group	P205 Modification Group			

P 204 Scaled Zonal Transmission Losses

		Modification Description	Current progress	Current Status
Proposer	John Capener	This proposal seeks avoid the difficulties of previous proposals by apportioning a proportion of losses locationally, but without creating large gross flows between locations which exaggerate errors in the processing, create uncertainty and risk, and create windfall winners and losers. These features still exist, but in diluted form more likely to be acceptable to the majority of industry parties and proportionate to the defect.	On 13 July 2006, the BSC Panel submitted P204 to a 3 month Assessment Procedure, with an Assessment Report to be presented to the Panel on 12 October 2006.	Assessment Procedure
Organisation	BRITISH ENERGY			**Status update**
Raised	03/07/2006			4-Aug-06
Process	NORMAL			
Authority Report Date	November 2006			
Modification Group	P198 MG			

P 203 Introduction of a seasonal Zonal Transmission Losses scheme

Proposer	Terry Ballard
Organisation	RWE NPOWER
Raised	26/06/2006
Process	NORMAL
Authority Report Date	22 September 2006
Modification Group	P198 MG

Modification Description

This modification is based on the seasonal alternative solution to P198 developed at the modification group but without any phasing. Seasonal zonal Transmission Loss Factors (TLF) (the "applicable TLFs") would be derived ex ante for application to generation and demand BMUs within a zone (the "applicable zone") for each of the four BSC seasons. The proposed scheme would retain the current process for allocating transmission losses to generation and demand (45% of transmission losses to production accounts and 55% to consumption accounts).

Current progress

Final Modification Report issued to the Authority for determination on 22 September 2006. This report recommended that the Proposed Modification should not be made.

Current Status

Authority

Status update

26-Sep-06

P 200 Introduction of a Zonal Transmission Losses scheme

Proposer	Phil Lawless
Organisation	TEESSIDE POWER
Raised	24/04/2006
Process	NORMAL
Authority Report Date	22 September 2006
Modification Group	P198 MG

Modification Description

Under the current BSC arrangements all transmission system losses are allocated to BSC parties in proportion to metered energy, whether production or consumption on a uniform allocation basis (45% to production accounts, 55% to consumption accounts). Therefore the current system provides no signal as to the different effect on transmission losses of generating and consuming electricity in different parts of the country.

The proposed scheme combines a transitional hedging scheme with the redefinition of TLFs proposed under P198. Therefore, if P198 addresses defects in the BSC, this proposed modification addresses exactly the same defects, whilst also providing a beneficial method of avoiding unnecessary windfall gains and losses.

Current progress

Final Modification Report issued to the Authority for determination on 22 September 2006. This report recommended that the Proposed Modification should not be made and the Alternative Modification should not be made.

Current Status

Authority

Status update

26-Sep-06

P 198 Introduction of a Zonal Transmission Losses scheme

Proposer	Terry Ballard
Organisation	RWE NPOWER
Raised	16/12/2005
Process	NORMAL
Authority Report Date	22 September 2006
Modification Group	P82 TLFMG

Modification Description

It is proposed that a zonal transmission losses scheme is introduced to the GB BSC. This scheme would be based on the principles established under Modification P82. A single Transmission Loss Factor (TLF) (the “applicable TLF”) would be derived ex ante for application to generation and demand BMUs within a zone (the “applicable zone”) for a relevant period (the “applicable period”). The proposed scheme would retain the current process for allocating transmission losses to generation and demand (45% oftransmission losses to production accounts and 55% to consumption accounts).

Current progress

Final Modification Report issued to the Authority for determination on 22 September 2006. This report recommended that the Proposed Modification should not be made and the Alternative Modification should not be made.

Current Status

Authority

Status update

26-Sep-06