

Codes Summary

This document provides a summary as to the latest developments, which are happening on the various Industry Codes:

CUSC

CUSC Amendments Panel Meeting

The next meeting of the CUSC Amendments Panel is scheduled for 30th June 2006.

Amendment Proposal Cap 124 – Clarification of the withholding of payments for operational Intertrips, was sent out for Industry Consultation on 23rd May 2006.

Consultation closed on 30th May 2006, for CAP120, CAP121, CAP122 and CAP 123 and the final Amendment Reports were sent to the Authority on 1st June 2006.

BSC

BSC Panel

The BSC Panel met on 8th June 2006. Further information is available from the Elexon website - www.Elexon.co.uk.

New Modification Proposal:

- P201 - 'Energy Imbalance Tolerance Band' has been submitted to Elexon on 26th May 2006 by Utilita. The BSC Panel determined that Modification Proposal P201 should be submitted to the Assessment Procedure.
- P202 - 'Energy Imbalance Incentive Band' has been submitted to Elexon on 7th June 2006 by Bizzenergy – with a request for Urgency. The BSC Panel has carefully considered this recommendation and recommends to the Authority that P202 should **not** be progressed as an Urgent Modification Proposal.

Grid Code

Next meeting of the GCRP is scheduled for 20th July 2006.

I/05 – 'Grid Code Balancing code changes associated with Embedded Exemptable Large Power Stations' – Implemented 30th May 2006.

B/06 - Regional Differences. National Grid intends to reply to the responses received from the industry consultation. The intention is to submit the report to the Authority by the end of June 2006, subject to further responses from users.

The Third meeting of the Power Park Modules and Synchronous Generating Unit working group will be held w/c 10th July 2006.

Charging

The Charging User Group (ChUG) is due to meet on 12th June 2006, updates will be provided as they become available.

Condition 2: (Cost of Incremental Capacity). Methodology will be updated to improve transparency in the calculation of incremental cost of capacity. National Grid will be requesting data to confirm the incremental cost of capacity used in the GB methodology is a GB figure.

Condition 6: (Site Specific Maintenance) questionnaire was published for response until 28th May 2006. Initial conclusions will be published in July 2006.

TO Price Review

Transmission Price Control Review - The initial proposals document is due for publication at the end of June 2006. Further details can be found on the Ofgem website. Site: - <http://www.ofgem.gov.uk>

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 12th June 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/

STC AMENDMENT REGISTER – AS AT 1st June 2006

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

CA021

Exchange of Investment Planning Data

Proposer	National Grid	Submitted	11/04/06	Submitted Priority	Normal
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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. A 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. Report to be circulated Friday 26th May 2006.

CA020

GB Transmission System Performance Reporting

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

Committee members had no further comments on the Proposed Amendment Report. The Committee therefore AGREED for CA020 to be issued for Industry Consultation for 10 business days (Consultation close date is 6th June 2006).

STC AMENDMENT REGISTER – AS AT 1st June 2006

CA019

Assessment of the Impact of Certain Embedded Power Stations

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

CA018

Removal of the Restriction on Proposing Alternative Amendments

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

STC AMENDMENT REGISTER – AS AT 1st June 2006

CA017

Assessment of the Impact of Certain Embedded Power Stations

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

CA016

Modification Applications in Respect of Certain Embedded Power Stations

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

STC AMENDMENT REGISTER – AS AT 1st June 2006

CA013

Proposer

National Grid

TEC Exchange Rate Request Process

Submitted

18/05/05

**Submitted
Priority**

Normal

Amendment Description

This amendment proposes that the STC be modified to clarify the process to be followed and the obligations on NGC and each Transmission Owner (TO) under the STC to jointly liaise in the preparation of a TEC Exchange Rate. This would occur when a TEC Exchange Rate Request is received from CUSC Parties, one or both of whom is sited in the licensed area or within the boundary of influence of a Transmission Owner.

Current status and progress

CA013 was presented to the May Committee meeting. The Committee decided that CA013 should proceed to the Assessment & Report Phase. STC Parties to provide their impact and assessment analysis by 5th August 2005. Outstanding impact and assessment analysis to be submitted by 2nd September. STC Committee agreed the content and format of the Proposed Amendment Report at September's Committee Meeting. Proposed Amendment Report circulated to the industry for comment on 27th September 2005. Responses to be received by 11th October 2005. Draft version of Amendment Report to be present to STC Committee Meeting in October for review/comment/approval. The Amendment Report was submitted to Ofgem on 20th October 2005. Authority approved CA013 on 1st December, for implementation on 8th December 2005.

CUSC Amendment Register 1 JUNE 2006

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

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.

Impact on STC:

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.

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.

Impact on STC:
None Identified.

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 have been circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. Final Amendment Report submitted to Authority on 1st June 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.

Impact on STC:
None Identified.

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 Reports have been circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. Final Amendment Report submitted to Authority on 1st June 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 flexibility 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.

Impact on STC:

The relevant STC provisions are contained in STCP19-2. However, paragraph 7.3.2 already states that the TO shall send NGET a Final Project Report "within 8 months of the Completion Date (or as otherwise agreed)".

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 Reports have been circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. Final Amendment Report submitted to Authority on 1st June 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.

Impact on STC:

None Identified.

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 have been circulated to the Panel to ensure their vote was captured correctly with a closing date of 30 May 2006. Final Amendment Report submitted to Authority on 1st June 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.

Impact on STC:
None Identified

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.

CAP113-118

Housekeeping Amendment

Proposer National Grid

Submitted 19/01/06

**Submitted
Priority** Normal

Amendment Description

CAP's113 – 118 proposes to correct errors in various sections of the text.

Impact on STC:
None Identified

Current status and progress

CAP113-118 was presented to the January 2006 Panel Meeting. The Panel decided that all the amendments proposed were consistent with the definition of a housekeeping amendment and should be processed in accordance with Paragraph 8.21.2 of CUSC. Amendment Report issued to Authority on 20 February 2006. The Authority approved the Amendment on 23 March 2006 for implementation on 7 April 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.

Impact on STC:

None Identified

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.**

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.

Consequential knock-on effects identified within STC, and National Grid has proposed STC Amendment Proposal CA016 and CA017 to address these issues. STC Working Group established to discuss CA016 and CA017. SPTL has proposed an Alternative Amendment Proposal CA019 as an Alternative to CA017. **The Amendment Report was submitted to the Authority on 27th April 2006 for determination and will be considered along side CAP097.**

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.

CAP094

Proposer First Hydro

Limited Duration Transmission Entry Capacity

Submitted 15/06/05

**Submitted
Priority** Normal

Amendment Description

CAP094 seeks to introduce a new access product – Limited Duration Transmission Entry Capacity (LDTEC). The current access products do not embrace circumstances where TEC is available for the remainder of the financial year but NGC is not able to grant enduring TEC because of the time taken to analyse a proposal or future rights not being available. The new product would also extend to circumstances where the generator only requires TEC for the remainder of the financial year and does not require enduring TEC rights.

Impact on STC:

None Identified

Current status and progress

The Panel agreed that CAP094 should be considered by a Working Group reporting back to the August Panel. The Panel agreed to an extension of the working group consideration of one month and that the Working Group Report should be presented to the September Panel meeting. The Panel determined at the September meeting that CAP094 should proceed to wider industry consultation. The consultation report was circulated on 4th October, with a closing date of 4th November 2005. A second period of consultation was undertaken commencing on 14th November until 28th November 2005. The Draft Amendment Report was circulated on 5th December 2005. The Final Amendment Report was submitted to the Authority on 13th December 2005. The Authority approved the WGAA 5 Amendment on 22 February 2006 for implementation on 1 April 2006.

Table 1 – Grid Code Consultation Papers - Current Status Report – 12th June 2006

Paper Ref.	Grid Code Change Reference	Current Status	Data Provided	Notes
I/05	Grid Code Balancing Code Changes associated with Embedded Exemptable Large Power Stations	Implemented	30/05/06	
A/06	Changes to Appendix 5 of the Connection Conditions (Technical Requirements for Low Frequency Relays)	With Ofgem	05/06/06	
B/06	Regional Differences	Consultation Closed		