## **Codes Summary**

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

## CUSC

## Authority Decisions

Ofgem rejected CAP092 - Consistent Generation Use of System Charge Liability Provisions for Transmission Access, on 13<sup>th</sup> February 2006.

## **CUSC Amendments Panel Meeting**

The next meeting of the CUSC Amendment's Panel is scheduled for 24<sup>th</sup> February 2006. Panel recommendation will be made to vote on CAP097.

## BSC

## **BSC Panel 9th February 2006**

The panel was presented with the initial written assessment for Modification Proposal P199, 'Quantification of Demand Control in the BSC as instructed under OC.6 (c), (d) & (e) of the Grid Code' (108/004)

## Grid Code

Next meeting of the GCRP is schedule for 23<sup>rd</sup> February 2006.

Regional Difference Working Group to be discussed. P2/5 Working Group to be discussed.

LEEMPS – Authority Report to be submitted to Ofgem on 3<sup>rd</sup> February 06.

## Charging

A meeting to discuss the issue of contestability took place on 23<sup>rd</sup> January 2006. Ofgem are considering the contestability, potentially via an amendment to National Grid condition 6: Site Specific Maintenance.

# AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT As at 14<sup>th</sup> February 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: <u>www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx</u>

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.

GAUII	CA017
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Assessment of the Impact of Certain Embedded Power Stations

rid

Submitted 13/12/05 Submitted Normal Priority

## **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

CA017 was presented and discussed at the December Committee Meeting. The Committee decided that CA017 should proceed to the Evaluation Phase. The first working group meeting is scheduled to take place on 9<sup>th</sup> January 2006. Second meeting scheduled for 1st February 2006. STC Parties to discuss draft legal text.

CA016		Modification Applications	in Respect of	of Certain Embed	ded 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

CA016 was presented and discussed at the December Committee Meeting. The Committee decided that CA016 should proceed to the Evaluation Phase. The first working group meeting is scheduled to take place on 9<sup>th</sup> January 2006. Second meeting scheduled for 1st February 2006. STC Parties to discuss draft legal text.

CA0	1	5
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Proposer National Grid

Altering the Notification Period for STC Committee Meetings

17/08/05

Submitted

Submitted Normal Priority

## Amendment Description

This proposal proposed that notice of the STC Committee Meeting and all paperwork (including the agenda) pertaining to the meeting be supplied to Committee Members at a common time. In line with other Industry Codes e.g. CUSC and BSC, it is proposed that this be set as five business days prior to the date of the Committee Meeting.

## Current status and progress

CA015 was presented and discussed at the August Committee Meeting. National Grid indicated it wished to withdraw CA015 on 24/08/05. CA015 was formally withdrawn on  $2^{nd}$  Friday 2005, there was no support for the Amendment Proposal from any other STC Party.

CA014		Change of Company Name for National Grid Company plc (NGC) and conseq Amendments to the STC					
Proposer	National Grid	Submitted	12/07/05	Submitted Priority	Normal		

## **Amendment Description**

At National Gird Transco's Annual General Meeting (held on 25<sup>th</sup> July), shareholders approved a motion to change the name of the group to that of National Grid plc, with effective from 27<sup>th</sup> July 2005.

Due to the potential similarity between the group name National Grid plc and the holder of the Transmission Licence, National Grid Company plc, at the same time the group name was changed, National Grid Company plc was renamed National Grid Electricity Transmission plc.

This proposal proposes that the definition of NGC currently used within the STC and all occurrences of it within the STC are therefore updated.

## Current status and progress

CA014 was presented to the July Committee Meeting. The Committee decided that CA014 should proceed to industry consultation. The Proposed Amendment Report was issued on 9<sup>th</sup> August 2005 and comments requested by 16<sup>th</sup> August 2005. The Committee agreed the Amendment Report on 24<sup>th</sup> August 2005. The Amendment Report was submitted to Ofgem on 26<sup>th</sup> August 2005. Authority approved CA014 on 16<sup>th</sup> September, for implementation on 23<sup>rd</sup> September 2005.

18/05/05

Proposer National Grid

Submitted

Submitted Priority

## **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

**TEC Exchange Rate Request Process** 

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 5<sup>th</sup> August 2005. Outstanding impact and assessment analysis to be submitted by 2<sup>nd</sup> 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 27<sup>th</sup> September 2005. Responses to be received by 11<sup>th</sup> 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 20<sup>th</sup> October 2005. Authority approved CA013 on 1<sup>st</sup> December, for implementation on 8<sup>th</sup> December 2005.

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

CAP119	19 Clarification of, and correction to, the table of Users' Credit Allowances						
Proposer	National Grid	Submitted	19/01/06	Submitted Priority	Normal		
Amendment Desc	ription		Current	status and progres	S		
CAP 119 proposes % of unsecured Cr		sers' Credit Allowances as a			the January 2006 Pai proceed to industry co		The Panel
Impact on STC: None Identified							
CAP113-118		Но	ousekeeping	Amendment			

Proposer National Grid	Submitted	19/01/06	Submitted Priority	Normal
Amendment Description		Current	status and progres	S
CAP's113 – 118 proposes to correct errors in vater.	Panel de	cided that all the ar	to the January 2006 Panel Meeting. The nendments proposed were consistent with the g amendment and should be processed in	
Impact on STC: None Identified	accordance with Paragraph 8.21.2 of CUSC.			

CAP108-112	Housekeeping Amendment						
Proposer	National Grid	Submitted	d 08/12/05 Submitted Normal Priority				
Amendment Desc	ription		Current	status and progres	s		
CAP's108 – 112 p text. Impact on STC:	proposes to correct errors in w	various sections of the	decided definitior accordar Report/C period of	that all the amen of a housekeepin nce with Paragraph Consultation Docume f 10 business days u	to the December Panel Meeting. The Panel dments proposed were consistent with the g amendment and should be processed in 8.21.2 of CUSC. The Draft Amendment ent was circulated on 23 <sup>rd</sup> December for a ntil 11 <sup>th</sup> January 2006. The Authority approved 31 January 2006 for implementation on 14 <sup>th</sup>		
None Identified		the Original Amendment on 31 January 2006 for implementati February 2006					

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

Proposer E.On

Submitted 08/12/05

Submitted Normal **Priority** 

## **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.

#### **CAP106** Amendment to Revise Paragraph 4.5.1 (Indexation – Application) of the CUSC Cubmitted **•** • • • •

Proposer National Grid	Submitted	20/10/05	Priority	Normal
Amendment Description		Current status	and progres	s
CAP106 seeks to amend an inconsistency in the text of 4.9 – Application) which has arisen from an interaction implemented legal text of CAP047 and CAP076, the prec of the implementation of these two modifications mean longer reads clearly.	between the ise mechanics	that CAP106 sl report was circu 2005. The Fina	hould procee Ilated on 31 <sup>st</sup> I Amendment	ne October Panel meeting. The Panel decided ed to industry consultation. The consultation October, with a closing date of 15 <sup>th</sup> November t Report was submitted to the Authority for their ion on 25 <sup>th</sup> November 2006.

Impact on STC: None Identified

CAP105	Change of Company Name for National Grid Company plc (NGC)						
Proposer	National Grid	Submitted	17/08/05	Submitted Priority			
Amendment Desc	ription		Current sta	atus and progress			
	the CUSC is amended to refl National Grid Company plc ssion plc (NGET).		that CAP10 report was of 2005. A se concluding circulated 20 the Authori Consultation	as presented to the August Panel meeting. The Panel 05 should proceed to industry consultation. The con circulated on 2 <sup>nd</sup> September, with a closing date of 3 <sup>rd</sup> second period of consultation commenced on 6 <sup>th</sup> on 20 <sup>th</sup> October 2005. The Draft Amendment Rep 26 <sup>th</sup> October and the Final Amendment Report was sub rity on 3 <sup>rd</sup> November 2005. The Authority approvin Alternative Amendment (C) on 7 <sup>th</sup> December 2005.	sultation October October, oort was mitted to ved the		
CAP104		-		rator Intertrip related terms irid Code and the CUSC			
Proposer	National Grid	Submitted	17/08/05	Submitted Priority			
Amendment Desc	ription		Current sta	atus and progress			
•	proposal seeks to remove the categories from the CUSC a	2		as presented to the August Panel meeting. The Panel 04 should proceed to industry consultation. The con			

This amendment proposal seeks to remove the definitions of system to generator Inter-trip categories from the CUSC and replace them with a reference to the Grid Code where they are concurrently defined in an identical manner. CAP104 was presented to the August Panel meeting. The Panel decided that CAP104 should proceed to industry consultation. The consultation report was issued on 30<sup>th</sup> August 2005 with a closing date of 30<sup>th</sup> September 2005. The Final Amendment Report was submitted to the Authority for determination on 14<sup>th</sup> October 2005.

Impact on STC: None Identified

CAP1	03
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## **Flexibility of Working Group Internal Procedures**

Proposer National Grid

Submitted 21/07/05

## **Amendment Description**

This proposal would provide increased flexibility to the Working Group process by providing the Working Group with the ability to unilaterally alter membership for the period up to the next Amendments Panel, following which the Amendments Panel could either uphold or overturn the Working Group changes of membership.

Furthermore, it proposes that Working Group members are able to agree a three day timetable for the approval of Working Group Reports by the Working Group if all Working Group Members agree to this. However, in the event of no agreement, the standard five day timetable for approval would remain.

Impact on STC: None Identified

## Current status and progress

Submitted

**Priority** 

CAP103 was presented to the July Panel. The Panel determined that CAP103 should be considered by the Governance Standing Group, acting as a Working Group and report back to the September Panel. The Panel at the September meeting determined that CAP103 should proceed to wider industry consultation. The consultation report was circulated on 30<sup>th</sup> September, with a closing date of 14<sup>th</sup> October 2005 A second period of consultation commenced on 20<sup>th</sup> October until 3<sup>rd</sup> November 2005. The Final Amendment Report was submitted to the Authority for their consideration and determination on 16<sup>th</sup> November 2005. The Authority approved the Consultation Alternative Amendment on 22<sup>nd</sup> December for implementation on 10<sup>th</sup> January 2006.

## Revision of CUSC Amendment Provisions to Ensure that Amendment Reports Include a Collective CUSC Panel Recommendation

CAP100/101

## Removal of the Amendments Panel Chairman's Casting Vote – In Context of Amendments Panel Recommendations

Proposer National Grid

21/07/05 Submitted

Priority

CAP100 has been amalgamated with CAP101

Submitted

## **Amendment Description**

Current status and progress

CUSC Amendment Reports currently contain a Section for Panel Members views to be recorded. However, there is no opportunity for the Amendments Panel to make, and have recorded within the final Amendment Report, a collective recommendation to the Authority as to whether an Amendment proposal (and any Alternative Amendments) in the view of the Amendments Panel, better facilitate the Applicable Code Objectives.

Following discussions with the Governance Standing Group, NGC propose that when an Amendment Report has reached the point at which it would currently go to the Authority (i.e after the Amendments Report has been circulated to the Industry in draft form) it should instead be tabled at the next Amendments Panel.

The Amendments Panel would be required to vote as to whether they believed that the Amendment Proposal, and any Alternatives, better facilitated the Applicable Code Objectives. This vote would be recorded in the Panel Members Views Section. (Clearly Panel Members could abstain should they so wish.) In addition to the vote, any comments that Panel Members wished to have recorded, in relation to their view as to whether a proposal better facilitated the Applicable Code Objectives would also be noted within this section. Following the Amendments Panel Meeting, the Amendment Report, including the Panel Vote and views would be circulated to the Panel for 5 business days, to allow Panel Members a chance to check the factual accuracy of the way in which their views had been recorded. The Amendment Report would at that point be sent to the Authority.

Impact on STC:

None Identified

CAP100 was presented to the July Panel. The Panel determined that CAP100 should be considered by the Governance Standing Group, acting as a Working Group and present their Final Report to the September Panel. At the August Panel, it was agreed to amalgamate CAP100 with CAP101. The Panel at the September meeting determined that CAP100/101 should proceed to wider industry consultation. The consultation report was circulated on 30<sup>th</sup> September, with a closing date of 14<sup>th</sup> October 2005. A further period of consultation commenced 20<sup>th</sup> October 2005 until 3<sup>rd</sup> November 2005. The Final Amendment Report was submitted to the Authority for their consideration and determination on 17<sup>th</sup> November 2005. The Authority approved the Original Amendment on 22<sup>nd</sup> December for implementation on 10<sup>th</sup> January 2006.

**Incorporation of Additional Credit Management Tools** 

Proposer Bizzenergy

Submitted 21/07/05

## Amendment Description

This amendment seeks to Modify the CUSC to incorporate provisions to allow the use of:

- 1. A Performance Bond
- 2. Bi-lateral insurance
- 3. Independent Security
- 4. Advanced Payment

Objectives incorporating the Best Practice Guidelines for Network Operator Credit Cover Conclusions Document published in February 2005 by OFGEM.

Impact on STC: None Identified

## Current status and progress

Submitted

Priority

CAP099 was presented to the July Panel. The Panel determined that CAP099 should be considered by a Working Group, and present their Final Report to the September Panel. The Panel at the September meeting determined that CAP099 should proceed to wider industry consultation. The consultation report was circulated on 28<sup>th</sup> September, with a closing date of 28<sup>th</sup> October 2005. The Draft Amendment Report was circulated on 2nd November 2005. The Final Amendment Report was submitted to the Authority for their consideration and determination on 11th November 2005. The Authority approved the Original Amendment on 7<sup>th</sup> December for implementation on 21<sup>st</sup> December 2005.

## 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.

## Impact on STC:

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.

## 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 28<sup>th</sup> October. The Panel determined that CAP097 should proceed to wider industry consultation. The Consultation commenced on 10<sup>th</sup> November 2005, until the 12<sup>th</sup> December 2005. Consultation Alternatives were proposed during the Original Consultation period. The Consultation Alternative Consultation Document was circulated on 23<sup>rd</sup> December until 11<sup>th</sup> January 2006. The Draft Amendment Report was circulated on 23 January 2006.

## Limited Duration Transmission Entry Capacity

Proposer First Hydro

Submitted 15/06/05 Submitted Priority

## 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 4<sup>th</sup> October, with a closing date of 4<sup>th</sup> November 2005. A second period of consultation was undertaken commencing on 14<sup>th</sup> November until 28<sup>th</sup> November 2005. The Draft Amendment Report was circulated on 5<sup>th</sup> December 2005. The Final Amendment Report was submitted to the Authority on 13<sup>th</sup> December 2005.

Normal

## CAP093 Enabling the Flow of Electricity From Distribution Systems Into the Transmission System at Grid Supply Points

**Proposer** Central Networks

Submitted 15/06/05

Submitted Priority Normal

## **Amendment Description**

CAP093 aims to recognise the flow of electricity from distribution systems into the transmission system at Grid Supply Points. This will be achieved by altering the CUSC definitions of Grid Supply Point and Distribution System, and by making any necessary consequential changes.

## Impact on STC:

The definition of Distribution System changes if either the original or Working Alternative Amendment Proposal is approved. Currently the STC definition refers to the CUSC as at the Code Effective Date. If the CUSC was amendment with the new definition, the STC would still refer to the previous definition of the term. The STC definition may have to be updated to reflect CUSC changes.

## **Current status and progress**

The Panel agreed that CAP093 should be considered by a Working Group reporting back to the September Panel. The Panel at the September meeting determined that CAP093 should proceed to wider industry consultation. The consultation report was circulated on 29<sup>th</sup> September, with a closing date of 31<sup>st</sup> October 2005. A consultation alternative was proposed and a second period of consultation was due to commence by 7<sup>th</sup> November 2005. The Final Amendment Report was submitted to the Authority for their consideration and determination on 5/12/05. Ofgem rejected original and all alternative amendments on 19 January 2006

## CAP092 Consistent Generation Use of System Charge Liability Provisions for Transmission Access Products.

Bronocor	a an	Submitted	15/06/05	Submitted	Normal
Proposer	e.on	Capillitica	15/06/05	Priority	Normai

#### **Amendment Description**

CAP092 seeks to cap the charges payable for STTEC and/or TEC in any one financial year to that which would have been paid for TEC alone. The proposer argues that paying more for tranches of STTEC compared to what would have been paid in annual TEC charges is an unintended consequence of the introduction of the product. The proposer argues that this gives rise to discrimination and thus adverse effects on competition.

#### Impact on STC:

None Identified

#### Current status and progress

The Panel agreed that CAP092 should be considered by a Working Group reporting back to the August Panel. At the August Panel Meeting, it was agreed that the Working Group Report should be presented to the September Panel meeting. The Panel at the September meeting determined that CAP092 should proceed to wider industry consultation. The consultation report was circulated on 27<sup>th</sup> September, with a closing date of 28<sup>th</sup> October 2005. Draft Amendment Report was circulated on 2<sup>nd</sup> November 2005. The Final Amendment Report was submitted to the Authority on 11<sup>th</sup> November 2005.

# CAP091 Establishment and maintenance of an Unsecured Credit Allowance for Rated and Unrated Companies and the alignment of the Value at Risk calculation with current best practice.

Dronosor	PizzEnorav	Submitted	20/05/05	Submitted Normal
Floposei	BizzEnergy	Submitted	20/05/05	Priority

## Amendment Description

This amendment seeks to Modify the CUSC to incorporate provisions for unrated companies to establish an appropriate line of credit in accordance with the CUSC Objectives taking account of the Best Practice Guidelines for Network Operator Credit Cover Conclusions Document published in February 2005 by OFGEM.

For example it is anticipated that at a high level the modification should include amongst other things:

- 1. Establish an unsecured credit allowance for unrated counterparties by using the payment record.
- 2. Where a company rated in the lower bands or an unrated counterparty seeks to increase its unsecured credit allowance it can do so by submitting to independent assessment of its creditworthiness.
- 3. Recalculation of the Demand Reconciliation Credit Cover amount of 10%.

Impact on STC: None Identified

## Current status and progress

CAP091 was presented to the May 2005 Panel. The Panel determined that CAP091 should be considered by a Working Group reporting back to the August 2005 Panel. At the July Panel, the Working Group made representation that CAP091 should be merged with the previously merged CAP089/090. The Working Group presented their combined Final Report to the August Panel. The Panel determined that CAP0089/09091 should proceed to wider industry consultation. The consultation report was circulated on 2<sup>nd</sup> September, with a closing date of 3<sup>rd</sup> October 2005. A high volume of Consultation Alternatives were proposed, a second period of consultation commenced on 10<sup>th</sup> October, concluding on 24<sup>th</sup> October 05. The Draft Amendment Report was circulated 31<sup>st</sup> October. The Final Amendment Report was submitted to the Authority 8<sup>th</sup> November 2005. The Authority approved Consultation Alternative Amendment 12 on 20<sup>th</sup> December for implementation on 1<sup>st</sup> February 2006.

Credit Limits for rated companies

## CAP090

Proposer National Grid

**Submitted** 20/05/05

Submitted Priority Normal

## **Amendment Description**

The amendment seeks to address and codify Ofgem's recommendations within its Network Operator Best Practice guidelines.

This amendment would introduce the rules of establishing individual user limits based on a percentage of the maximum credit limit.

CAP:089 proposed that the CUSC should set a maximum credit limit based on 2% of Regulatory Asset Value of an individual Network Operator. This proposal is that individual counterparty credit limits and those that use Parent Company Guarantees or aggregates of both, should be set using credit ratings applied under the 'Basel 2' rules for determining bank capital adequacy. The implication is that the maximum credit allowances of 100 percent of maximum credit limit for AAA/AA and 40 percent for A. For the third band, (BBB) NGC proposes, consistent with Ofgem's guidelines, that the above allowance be further subdivided, such that the following are applied to rated entities:

Impact on STC:

None Identified

#### Current status and progress

CAP090 was presented to the May 2005 Panel. The Panel determined that CAP090 should be considered by a Working Group reporting back to the August 2005 Panel. At the July Panel the Working Group made representation that CAP's089 and 090 should be merged. The Panel agreed that the Working Group should present a combined Final Report to the August Panel. Approved - See CAP091

Maximum Unsecured Credit Limit

<b>CAP089</b>	
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Proposer National Grid

**Submitted** 20/05/04

Submitted Priority Normal

## **Amendment Description**

The amendment seeks to address and codify Ofgem's recommendations within its Network Operator Best Practice guidelines.

It is proposed that that Network Operators should set a maximum credit limit based on 2% of Regulatory Asset Value. Currently there is no unsecured credit limit within CUSC if a user has NGC credit rating (A- or A3 respectively as set by Standard and Poor's or Moody's for connection charges, BBB- or Baa3 respectively as set by Standard and Poor's or Moody's for Use of System charges). CUSC will require amending in order to implement the criteria for setting the maximum credit limit.

Impact on STC:

None Identified

Current status and progress

CAP089 was presented to the May 2005 Panel. The Panel determined that CAP089 should be considered by a Working Group reporting back to the August 2005 Panel. Approved - See CAP091

## BSC MODIFICATION REGISTER (Part 1: Pending Modifications)

Quantificatio	Quantification of Demand Control in the BSC			
Mark Duffield	Modification Description	Current progress	Current Status	
NATIONAL GRID	This Modification Proposal is in relation to the activity of	On 09 February 2006, the BSC Panel	Assessment Procedure	
30/01/2006	under OC.6 (c), (d) & (e) of the Grid Code. This Modification Proposal has been raised to address the	Assessment Procedure, with an Assessment Report to be presented to	<b>.</b>	
NORMAL			Status update	
June 2006	accounts, and the size and direction of NIV, in the event of a Demand Control instruction by the SO.		13-Feb-06	
PSMG				
	Mark Duffield NATIONAL GRID 30/01/2006 NORMAL June 2006	NATIONAL GRIDThis Modification Proposal is in relation to the activity of Demand Control as instructed by the System Operator, under OC.6 (c), (d) & (e) of the Grid Code. This Modification Proposal has been raised to address the distortion of the allocation of MW toparticipants energy accounts, and the size and direction of NIV, in the event of a Demand Control instruction by the SO.	Mark DuffieldModification DescriptionCurrent progressNATIONAL GRIDThis Modification Proposal is in relation to the activity of Demand Control as instructed by the System Operator, under OC.6 (c), (d) & (e) of the Grid Code. This Modification Proposal has been raised to address the 	

## P 198 Introduction of a Zonal Transmission Losses scheme

Proposer	Terry Ballard	Modification Description	Current progress	Current Status
Organisation	RWE NPOWER	It is proposed that a zonal transmission losses scheme is	On 12 January 2006, the BSC Panel	Assessment Procedure
Raised	16/12/2005	introduced to the GB BSC. This scheme would be based on the principles established under Modification P82. A single Assessment Procedure, with an		<b>.</b>
Process	NORMAL	Transmission Loss Factor (TLF) (the "applicable TLF") would be derived ex ante for application to generation and	actor (TLF) (the "applicable TLF") Assessment Report to be presented to Status update for application to generation and the Papel on 11 May 2006	·
Authority Report Date	June 2006	demand BMUs within a zone (the "applicable zone") for a relevant period (the "applicable period"). The proposed	27-Jan-06	
Modification Group	P82 TLFMG	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).		

P 197	SVA Qualifica	VA Qualification Processes Review			
Proposer	Glenda Simons	Modification Description	Current progress	Current Status	
Organisation	LAING ENERGY	This Modification proposes changes to the SVA	On 09 February 2006, the BSC Panel	Assessment Procedure	
Raised	12/12/2005	Qualification Processes (Entry Processes, Certification and Accreditation) as recommended by the SVA Qualification	agreed to extend the P197 Assessment Procedure by 1 month; and agreed that	Chatura un data	
Process	NORMAL	Review Group and the Supplier Volume Allocation Group following the review of SVA Qualification Processes.	an Assessment Report should be completed and submitted to the Panel	Status update 13-Feb-06	
Authority Report Date	June 2006	5	for consideration at its meeting of 11 May 2006.	13-FED-U6	
Modification Group	VASMG				

## P 196

## Treatment of Long Term Vacant Sites in Settlements

Proposer	Afroze Miah	Modification Description	Current progress	Current Status
Organisation	E.ON UK	This Modification is proposing a solution to allow for the	On 08 December 2005, the BSC Panel	Assessment Procedure
Raised	25/11/2005	equitable treatment of long term vacant sites within settlements. This Modification has been raised following	submitted P196 to a 3-month Assessment Procedure, with an	
Process	NORMAL	significant work undertaken as part of Issue 14. The	Assessment Report to be presented to	Status update
Authority Report Date	May 2006	Issue 14 Group reviewed the current treatment of long term vacant sites within the BSC and their impact on Settlements and associated areas. The Group concluded	the Panel on 09 March 2006.	12-Dec-05
Modification Group	VASMG	that this issue is materially significant and the majority believed that a Modification to the BSC should be raised to resolve the problems associated with such sites. This Modification therefore includes some of the key outputs from that group as support.		

P 194	<b>Revised Deriv</b>	evised Derivation of the 'Main' Energy Imbalance Price			
Proposer	Mark Brackley	Modification Description	Current progress	Current Status	
Organisation	NATIONAL GRID	The proposal is to amend the calculation of the 'Main'	Final Modification Report issued to the	Authority	
Raised	26/08/2005	Energy Imbalance Price such that only a predefined maximum volume of priced balancing actions, remaining in	the recommended that the Proposed		
Process	NORMAL	the Net Imbalance Volume (NIV), will contribute to the derivation of the volume weighted average imbalance		Status update	
Authority Report Date	13 December 2005	price. The maximum volume of priced balancing actions will be the most expensive 100MWh remaining in the NIV.		13-Dec-05	
Modification Group	PSMG				

# Grid Code Consultation Papers - Current Status Report – 9<sup>th</sup> February 2006

Paper Ref.	Grid Code Change Reference	Current Status	Data Provided	Notes
D/05	Grid Code changes associated with Licence Exempt Embedded Medium Power Stations	Report with Authority for determination	03/02/2006	
E/05	Proposed Changes to Grid Code OC8B in relation to site specific safety instructions	Report with Authority for determination	19/01/2006	
H/05	OC2 'Phase 2 – Short Term' Proposals Provision of Outage Data by Generators at Generating Unit Level	Consultation Closed	09/12/2005	
I/05	Grid Code Balancing Code Changes associated with Embedded Exemptable Large Power Stations	Consultation Closed	27/01/2006	