

## Codes Summary

This document provides a summary as to latest developments concerning the various other Industry Codes. Further detailed information can be found at <http://www.nationalgrid.com/uk/Electricity/Codes/>

### **CUSC**

**CAP131** (User Commitment for New and Existing Generators) – Amendment Report sent to Authority for consideration. Ofgem are considering responses from the Impact Assessments.

**CAP148** (Deemed Access Rights to the GB Transmission System for Renewable Generators) Amendment Report sent to Authority for consideration. Impact Assessment issued, deadline for responses 28 August 2008.

**CAP160** (Improvements to the assessment of Amendments) – The Authority Approved CAP160 on 14 August with an implementation date of 15 August 2008.

**CAP161** (Transmission Access – System Operator Release of Short-term Entry Rights) – proceeded to Working Group. Authority approved 2 month extension for Working Group.

**CAP162** (Transmission Access - Entry Overrun) – proceeded to Working Group. Authority approved 2 month extension for Working Group.

**CAP163** (Transmission Access – Entry Capacity Sharing) – proceeded to Working Group. Authority approved 2 month extension for Working Group.

**CAP164** (Transmission Access – Connect and Manage) – proceeded to Working Group. Authority approved 2 month extension for Working Group.

**CAP165** (Transmission Access - Finite Long-term Entry Rights) – proceeded to Working Group. Authority approved 2 month extension.

**CAP166** (Transmission Access - Long-term Entry Capacity Auctions) – proceeded to Working Group. Authority approved 2 month extension.

**CAP167** (Definition of a threshold(s) associated with the request for a Statement of Works) - proceeded to Working Group. Authority approved 2 month extension.

### **Grid Code**

The next meeting of the **Grid Code Review Panel** will take place on **Tuesday 30<sup>th</sup> September 2008**.

### **Consultation Documents**

B/07 - Improved Planning code data exchange for Compliance Assessments, submitted to the Authority for determination on 28<sup>th</sup> September 2007.

B/08 – Voltage Control and Reactive Power. The Authority approved B/08 on the 22 August 2008, with an implementation date of 1 September 2008.

C/08 – Data Exchange, Report sent to the Authority for determination on 29 August 2008.

D/08 – Grid Code Requirements for Technical Performance, consultation issued on 2<sup>nd</sup> July 2008 – closing date for response is 30<sup>th</sup> July 2008.

### **Charging**

#### **Transmission Access Review**

#### **Working Group 1 – Short-term access<sup>1</sup>**

The working group is currently 'on target' against the work plan, although progress with entry capacity sharing has not met expectations due to the issues with allowing sharing within pre-defined zones identified by working group 3.

- **Overrun pricing**

The group has developed three models for pricing generation which is above aggregate long and short term access right holdings:

- Simple multiplier

The sub-group has investigated a number of options and concluded that charging users based on a function of [BSUoS – RCRC] gives the best correlation between charges and constraint costs.

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<sup>1</sup><http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/>

Analysis is being performed to investigate whether a zonal weighting can also be applied.

- Average cost (ex post average price based on SO degut of balancing costs)  
The working group has noted that this approach seeks to hold users with transmission access rights whole by recovering any addition costs caused by overrun directly from the parties that are overrunning.  
The sub-group has developed a methodology for allocation.  
For practical reasons, the original methodology developed did not include negative overrun prices. A methodology which includes negative prices is being investigated.
- Marginal cost (ex post marginal price based on optimisation)  
The working group has noted that this approach seeks to provide an appropriate signal for use of the existing transmission assets, and a level playing field between the pricing of long and short term access.  
A simple network model has been developed to illustrate how marginal prices would be calculated. The SO identifies system constraints and an optimisation is performed to minimise system balancing costs subject to these constraints. The nodal shadow costs can be derived from this calculation.

Further work is required to assess the models against the relevant charging objectives.

- **SO release of short-term access rights**

The group has developed three models for the SO release of short-term access rights.

- An auction for a weekly block of capacity held five weeks ahead
- An auction for a daily block of capacity held two days ahead
- A first come, first served approach for blocks of capacity in the current year [similar to the existing approach for the release of LDTEC] with a cost reflective price determined by the SO

Further work is required to compare the allocation options that have been developed and assess them against the applicable CUSC objectives.

- **Entry capacity sharing**

The working group has discussed the following notification options for sharing within pre-defined zones:

- Codified  
Sharing arrangements would be codified in bilateral agreements ex ante.
- Ex ante notification  
A notification system is required to allow users to notify the SO of sharing arrangements closer to real time.
- Ex post notification  
A notification system is required to allow users to notify the SO of sharing arrangements after real time.

The working group expressed concerns about the prospect of entry capacity sharing being approved without overrun. In this scenario, one user could cause another user to be in breach of the CUSC by not adhering to a bilateral sharing arrangement. Alternative remedies to 'breach of CUSC' for these situations are being explored.

Further information about the feasibility of sharing within pre-defined zones (see WG3 below) is required to allow these options to be further developed and assessed.

- **Connect & manage**

The working group has developed a Connect & Manage model based on that developed by the CAP148 working group, but without limiting participation to renewable generators only.

Users would obtain access to the wider transmission system following a pre-defined maximum lead time, provided 'local' works are complete and the users are prepared to meet the user commitment requirements.

A number of options for the appropriate maximum lead time have been discussed (3, 4 and 5 years).

Detailed cost-benefit analysis (including carbon abatement) is currently being carried out to support assessment against the applicable CUSC objectives.

## Working Group 2 – Long-term access<sup>2</sup>

*The working group is currently 'on target' against the work plan for finite entry rights, but 'behind schedule' on long-term capacity auctions. The working group is exploring all options to ensure the auctions work is delivered in the necessary timescales.*

- **Finite entry rights**

The group has discussed a number of developments to the original proposal. The original intention was that liabilities for pre-commissioning and post-commissioning users would be based on a number of years of TNUoS charge. Further analysis has indicated that this may not be appropriate in all zones and alternatives (e.g. Zonal Unit Cost Allowances from the Price Control Review Final Proposals) are being investigated.

The working group is also investigating the appropriate level of security provision from users that pose a credit risk.

National Grid, as proposer, is developing this approach following feedback at the latest working group meeting.

An alternative proposal has also been raised and discussed with the working group. Under this proposal, the notice of closure period would increase to a period which represents a balance between that required by the transmission companies to plan reinforcements and that which the generators are in a position to provide.

- **Capacity auctions**

The group has developed two straw men:

- Auction for zonal capacity

The SO would identify a number of zones and the associated capacity baselines. Users would bid for zonal capacity for the years required in an open, ascending, multi-round auction with TNUoS used to calculate zonal reserve prices. Users that are successful would pay a cleared price. Initially, there would be no arrangements to deal with the interactions between zones.

- Simultaneously cleared auction for zonal (or nodal) capacity

The SO would identify boundary capabilities and the impact that individual generators would have on these boundaries. For future years, the costs and constraints on system expansion would also be modelled. Users would bid for capacity in the years required on an open, multi-round, ascending, pay-as-bid auction. Access would be allocated by an optimisation algorithm subject to the system constraints identified.

Further work is required to resolve significant issues identified with each of the straw men.

## Working Group 3 – Enabling changes<sup>3</sup>

*The working group is currently 'on target' against the work plan for local capacity nomination, local charging and the treatment of the residual charge, but 'behind schedule' on the zoning methodology. The working group is exploring all options to ensure the zoning work is delivered within the necessary timescales. This includes exploring alternative options for node-to-node sharing.*

- **Local charging arrangements**

National Grid has published a consultation on the appropriate charging arrangements for assets local to generation connections. The consultation proposed two options:

- Specific treatment of assets local to generation connections:

A deterministic definition of a Main Interconnected Transmission System (MITS) substation is proposed. Users would pay a local charge for the proportion of assets between their entry point and the nearest MITS substation that they use.

- Specific treatment of distance to zonal hub:

A zonal hub is defined, with MWkm between generator terminals and zonal hub defined as local and MWkm between zonal and market hubs treated as wider.

The consultation also proposed that a signal of substation costs should be introduced.

The consultation closed on Friday 29 August 2008.

<sup>2</sup><http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg165-166/>

<sup>3</sup><http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-166/>

- **Local Capacity Nomination**

The working group have discussed the concept of a Local Capacity Nomination (LCN). Users would use this to indicate the extent of local works required to connect them to the transmission system. The transmission access rights that the user then purchases (including overrun) would be limited by the notified LCN.

The GBSO would use the LCN as the basis of chargeable volume for local charges (see above).

The working group has discussed scenarios in which users may wish to share a LCN, and the arrangements to deal with this are being developed.

The working group has discussed application processes for LCN, for both transitional arrangements and applications for increases / decreases in LCN on an enduring basis.

- **Treatment of the residual element of the TNUoS generation charge**

The working group has agreed that long term and short term access users should contribute to the residual element of the TNUoS generation charge. The working group have discussed the following options to achieve this:

- Charge residual element on utilisation (£/kWh)
- Charge residual element on LCN (£/kW)
- Charge residual element based on utilisation over daily peak (£/kWh between 4pm and 7pm, Settlement Periods 33 to 38)

Further work is required to assess these options against the relevant charging objectives. A pre-consultation is expected to be published for industry comment in September.

- **Zoning methodology**

The detailed transmission system analysis that has been carried out has illustrated that the risks associated with unlimited sharing within pre-defined zones are significant.

The following options are being explored:

- Small zones (in some cases nodes) to manage risks
- Larger zones:  
Cost benefit analysis is being performed to assess the impact of accepting larger zones.  
The results of this analysis will also be used to investigate options to manage adverse consequences (e.g. limit maximum capacity sharable by zone or limit duration of sharing arrangement).
- Node to node sharing arrangements:  
The following options are being explored to facilitate sharing between nominated nodes:
  - Exchange rate based on ratio of (ex post) overrun prices  
This option is reliant on the approval of the overrun proposals. An exchange rate calculated in this way would ensure that users with long-term rights get the full time-varying value of these rights at the nodes they are effectively donating to.
  - Fixed point to point exchange rate calculated by the SO based on a specified duration and volume
  - Point to point access right provided in transmission investment timescales.

These options will need to be considered further by working group 1.

## Timescales

*The provisional CUSC milestone dates for the transmission access proposals are listed below for information.*

- Working Group Consultation
  - Published: w/c 22 September 2008
  - Closes: w/c 20 October 2008
- Working Group Final Report
  - Extraordinary CUSC Panel meeting: [14] November 2008
- National Grid consultation
  - Published w/c 24 November 2008
- Amendment Report
  - Submit to CUSC Panel: 11 December 2008
  - CUSC Panel vote: 19 December 2008

Associated with CUSC amendments 161 -166:

### **Charging for "local" assets**

NGET published a consultation on revisions to the charging arrangements for assets local to generation connections on Friday 1 August. The consultation closed on 29 August and National Grid intent to forward a Conclusions Report to Ofgem by 5 September.

Other charging issues:

### **Charging for offshore transmission assets**

Following a letter from Ofgem, NGET intent to publish a further consultation on the appropriate charging arrangements for offshore transmission assets during September 2008.

### **Inter-TSO Compensation Scheme**

NGET also intent to publish a pre-consultation on whether changes to the charging arrangements are required to deal with participation in the Inter-TSO compensation scheme.

# AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

## As at 9 September 2008

This document contains the Amendment Registers for the CUSC, STC, 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/](http://www.nationalgrid.com/uk/Electricity/Codes/sotocode/)

CUSC: <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/>

TCMF: [www.nationalgrid.com/uk/Electricity/Charges/TCMF/](http://www.nationalgrid.com/uk/Electricity/Charges/TCMF/)

Grid Code: [www.nationalgrid.com/uk/Electricity/Codes/gridcode/reviewpanelinfo/](http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/reviewpanelinfo/)

BSC Amendments can be found on the following website:

[www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx](http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx)

**ANNEX 1**  
**STC AMENDMENT REGISTER – AS AT 31<sup>st</sup> August 2008**

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

<b>CA029</b>	<b>Investigation of a relevant interruption of a user and interruption payment obligations associated with such an interruption</b>				
<b>Proposer</b>	National Grid	<b>Submitted</b>	11/03/08	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>	<b>Current status and progress</b>				
The amendment seeks to ensure that there is an investigation and report process in place to enable parties to identify the cause of certain interruptions to Users that results in the User being disconnected from the GB Transmission System. In addition, it seeks to oblige the relevant Transmission Owner to make the necessary Interruption Payments to NGET, which NGET will in turn be obliged under the CUSC to make such Interruption Payments to the affected User.	CA029 (investigation of a Relevant Interruption of a User and Interruption Payment obligations associated with such an interruption) was proposed by National Grid and discussed at the March 2008 STC Committee meeting. The STC Committee AGREED that CA029 should proceed to the Evaluation Phase for a maximum of two months. The Proposed Amendment completed the Evaluation Phase by May's STC Committee Meeting. The Proposed Amendment Report was approved at May's STC Committee meeting and will be sent out for Industry consultation on 2 <sup>nd</sup> June 2008 with views requested by 16 <sup>th</sup> June 2008. The consultation period closed on 16 <sup>th</sup> June and there were no comments. The Amendment Report was submitted to the Authority on 23 <sup>rd</sup> June 2008 for determination. The Authority approved CA029 on 28 July 2008, with an implementation date of 4 August 2008.				

**ANNEX 1**  
**STC AMENDMENT REGISTER – AS AT 31<sup>st</sup> August 2008**

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<b>CA028</b>		<b>Amendment to the governance timescales</b>		
<b>Proposer</b>	National Grid	<b>Submitted</b>	<b>Submitted</b>	Normal
			<b>Priority</b>	
<b>Amendment Description</b>			<b>Current status and progress</b>	
Amend Section B (Governance) to:			The STC Committee agreed that CA028 should proceed to Assessment and Report Phase with a view to sending out to consultation for 10 business days. Consultation period closed on 5 December 2007 one response received to support the proposed amendment. Amendment Report to be submitted to the Authority on 19 December 2007. Authority approved CA028 on 28 January 2008 with an implementation date of 4 February 2008.	
<ul style="list-style-type: none"><li>• Increase the maximum period for industry comments to be received regarding Proposed Amendment Reports to be 1 month (consultation period);</li><li>• increase the maximum period for Assessment and Report Phase to 5 months from it's initiation;</li></ul>				
This amendment will retain the requirement for the STC Committee secretary to post the Proposed Amendment on the website once the STC Committee have approved it				
This amendment has been written to enable Users more time during a consultation period to consider and respond to Proposed Amendments that will impact Users.				

<b>CA027</b>		<b>Miscellaneous amendment as a consequential affect of CA025</b>		
<b>Proposer</b>	National Grid	<b>Submitted</b>	<b>Submitted</b>	Normal
			<b>Priority</b>	
<b>Amendment Description</b>			<b>Current status and progress</b>	
Amend Section J to include definitions for the following terms:			The STC Committee agreed that CA027 should proceed to Assessment and Report Phase with a view to sending out to consultation for 10 business days. Consultation period closed on 5 December 2007 one response received. Amendment Report to be submitted to the Authority on 19 December 2007. Authority approved CA027 on 25 January 2008 with an implementation date of 1 February 2008.	
<ul style="list-style-type: none"><li>- Agreement for Energisation</li><li>- Agreement for Interim Operational Notification</li><li>- Interim Operational Notification</li></ul>				
Amend Section G to reference the revised paragraph numbering as a result of CA025				



## ANNEX 1

### CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008

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

<b>CAP167</b>		<b>Definition of a threshold(s) associated with the request for a Statement of Works</b>			
<b>Proposer</b>	National Grid	<b>Submitted</b>	16/05/08	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>			
It is proposed to amend the CUSC to provide definitive clarification in the assessment of whether a small embedded power station development (or the aggregate effect of multiple projects) has a significant impact on the GB transmission system.		<ul style="list-style-type: none"><li>▪ CAP167 was presented to the May 2008 Panel meeting. The Panel decided that CAP167 should proceed to Working Group. The first working group was held on 26<sup>th</sup> June.</li><li>▪ On 29 August 2008 the Panel and the Authority approved an extension of 1 month for the Working Group, in addition to the automatic 1 month extension provided by the implementation of CAP160.</li></ul>			
The proposal recommends that a CUSC working group is established to undertake the required analysis and decide on an appropriate MW threshold(s), which will provide transparent criteria of whether a DNO is required to request a Statement of Works from National Grid for small generation projects connecting to their system.					

CAP166

Transmission Access – Long-term Entry Capacity Auctions

## ANNEX 1

### CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008

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Proposer	National Grid	Submitted	25/04/08	Submitted Priority	Normal
<b>Amendment Description</b>				<b>Current status and progress</b>	
<p>It is proposed that all long-term entry access rights to the GB transmission system would be allocated by auction. Available access rights would be identified on a zonal basis, and released in annual (financial year) blocks. Auctions would be held annually, and capacity allocated on a pay as bid basis to the limit of the available (“baseline”) zonal capability. Successful bookings would be underpinned by user commitment in the form of a liability to pay the accepted bids and a consequential requirement for financial security to be put in place. This will be developed during the assessment of the proposed amendment, in accordance with the Best Practice Guidelines for Gas and Electricity Network Operator Credit Cover.</p> <p>Outside of a specified period, incremental capacity would be released by the System Operator where any unfulfilled bids in excess of the zonal reserve price were of a level sufficient to pass a regulatory test, which would be defined under a separate Incremental Entry Capacity Release (IECR) methodology.</p> <p>The above arrangements would provide access to the wider transmission system. Separate arrangements would be put in place for infrastructure comprising generators’ local connections to the wider system, such that potential new generators could first apply for a local connection, and then have their offer held open until the next auction for wider system capacity had concluded. It is envisaged that generators’ bids for long-term entry access rights would be constrained to the sum of their prevailing contracted or offered local capacity limits in each zone. Separate arrangements for charging and security would apply for local infrastructure, and for the residual element of the entry Transmission Network Use of System (TNUoS) capacity charge, which it is proposed would be levied on a commoditised basis</p>		<ul style="list-style-type: none"><li>▪ CAP166 was presented to the April 2008 Panel meeting. The Panel decided that CAP166 should proceed to Working Group. Details of the Working Group can be found at <a href="http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg165-166/">http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg165-166/</a></li><li>▪ On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.</li></ul>			

CAP165

Transmission Access – Finite Long-term Entry Rights

**ANNEX 1**  
**CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008**

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<b>Proposer</b>	<b>Submitted</b>	<b>Submitted Priority</b>
National Grid	25/04/08	Normal
<b>Amendment Description</b>	<b>Current status and progress</b>	
<p>Introduction of temporally defined finite long-term entry access rights, and associated user commitment.</p> <p>It is proposed that existing generators would nominate the number of (whole financial) years for which they require long-term entry access rights to the GB transmission system. This would be underpinned by user commitment in the form of a liability to pay associated charges and a requirement for financial security to be put in place. This will be developed during the assessment of the proposed amendment, in accordance with the Best Practice Guidelines for Gas and Electricity Network Operator Credit Cover. The commitment would be for any period requested by the user (i.e. there would be no rolling time limit), and rights could be extended by application at any time.</p> <p>New generators (and any existing generators requesting an increased level of long-term entry access) would be required to book a defined number of years of entry access rights (“the trigger period”), and provide the associated user commitment (which would be approximately equivalent to 50% of the cost of providing the incremental capacity). This would replace the existing “final sums” regime.</p> <p>The above requirements would apply to access to the wider transmission system. Separate arrangements would be put in place for infrastructure comprising generators’ local connections to the wider system, including appropriate user commitment (which may be approximately equivalent to 100% of costs).</p> <p>It should also be noted that the concurrent proposal to remove the residual element of the entry Transmission Network Use of System (TNUoS) capacity charge in the Use of System Charging Methodology means that the duration of the trigger period would need to be calculated on the basis of this revised charging regime (i.e. it would only be based on the wider locational element of the TNUoS charge). Consideration will additionally need to be given to the security arrangements to be put in place for the residual charge.</p> <p>It is further proposed that long-term entry access rights be defined on a zonal basis, such that each User can share capacity between its power stations on a real time basis at a 1:1 exchange rate within defined zones</p>		

**ANNEX 1**  
**CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008**

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<b>Proposer</b>	<b>Submitted</b>	<b>Submitted Priority</b>
National Grid	25/04/08	Normal
<b>Amendment Description</b>	<b>Current status and progress</b>	
<p>It is proposed that Generators who wish to connect to the system should have a fixed date for receiving TEC. This date, the 'TEC effective date', will be the later of the completion of "local" transmission works or an agreed fixed lead time. The fixed lead time will be discussed and agreed in the amendment assessment stage and codified in the CUSC. Initial options are 3 years (aligns with planning restrictions in Scotland); or 4 years (more consistent with historic performance of providing reinforcements).</p> <p>The TEC effective date will be subject to 'force majeure' provisions as currently defined in the CUSC.</p> <p>Following the initial offer, the TEC effective date can only be changed through a modification application; and if both the Generator and the Company agree, and other CUSC parties are not unduly affected.</p> <p>The request for a TEC effective date is optional, and is made at the time of application. All types of generation seeking TEC can request a TEC effective date.</p> <p>The definition of 'local' works will be established through the assessment of this proposal i.e. how 'deep' and what the consequences of such a definition would be.</p> <p>Although not part of the CUSC, it is proposed that TEC granted with a TEC effective date be charged on the same principle as existing TEC, which is long-term incremental investment based (including any changes to local charging arrangements consistent with the changing principles).</p> <p>There is a symmetrical obligation associated with the guarantee of a TEC date. This requires the generator to pay TNUoS charges for a minimum period irrespective of readiness of the generator to physically connect, subject to force majeure. The minimum period, will be agreed in the assessment of the proposal, to ensure equitable risk between other users and the connectee. This is intended to encourage the generator to apply only when consents have been granted i.e. for the purposes of this, force majeure excludes planning.</p> <p>The transition arrangements for existing contracts will be agreed in the amendment assessment stage.</p>		

**CAP163**

**Transmission Access – Entry Capacity Sharing**

**ANNEX 1**  
**CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008**

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<b>Proposer</b>	<b>Submitted</b>	<b>Submitted Priority</b>	<b>Normal</b>
National Grid	25/04/08		
<b>Amendment Description</b>	<b>Current status and progress</b>		
<p>It is proposed to introduce a zonal access product, allowing Generators to connect without wider system access rights and facilitating intra zonal access sharing between Generators on a 1:1 basis.</p> <p>A local only application will allow users to become connected and begin to operate before any 'wider' reinforcement works are completed. The proposer suggests that 'local' works will be those that would facilitate the efficient exchange of entry rights between users within a zone on a 1:1 basis and facilitates users to gaining access to the wider system rights through other products (redistributed long-term rights or additional short-term rights). The assessment will consider the exact definition of 'local' works and highlight the pros and cons of the preferred definition. The charging arrangements associated with local works, which do not form part of the CUSC, will allow for efficient charging of variations arising from a generation User's choice (design variations) and also ensure that users who share zonal rights, or use short-term rights to access the system, contribute proportionately to the additional in assets required.</p> <p>Zonal access rights will establish transmission access rights on a zonal rather than nodal level. This will be achieved by monitoring / settling access on a zonal company level. Therefore zonal access rights will implicitly introduce intra zonal access sharing on a 1:1 basis for an individual user. Entry capacity sharing will also extend this concept of sharing to multiple users. It is envisaged that a new Zonal Definition Methodology would establish and govern the definition of the zones. These zones would be applicable across all zonal products and associated charges. Moving to a zonal rather than nodal access regime has the potential to create additional constraints; the analysis in the assessment phase will seek to quantify this.</p> <p>The process for notifying National Grid of Entry Capacity sharing arrangements between users will be developed during the amendment assessment stage. There are a number of possible models, such as: codifying the sharing through a new CUSC form (ex ante); notifying explicit transfer of rights ex ante; or ex post notification of transferred access rights.</p> <p>Transition arrangements from the current Transmission Entry Capacity, TEC, will be considered in the amendment assessment stage.</p>	<ul style="list-style-type: none"><li>▪ CAP163 was presented to the April 2008 Panel meeting. The Panel decided that CAP163 should proceed to Working Group. Details of the Working Group can be found at <a href="http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/">http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/</a></li><li>▪ On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.</li></ul>		

## ANNEX 1

### CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008

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Proposer	National Grid	Submitted	25/04/08	Submitted Priority	Normal
<b>Amendment Description</b>				<b>Current status and progress</b>	
<p>Creation of a commercial mechanism for dealing with export above existing entry access capacity holdings.</p> <p>This proposal would permit Generators to export in excess of their total entry access capacity holding (currently sum of TEC, LDTEC, STTEC). Export would be capped by “local” rather than “wider” system capability limits (e.g. CEC and any local transmission limits as detailed in the bilateral agreement), subject to continued Grid Code compliance. The additional volume of entry access used above existing entry access capacity holding would be ‘Entry Overrun’.</p> <p>For the purposes of this amendment, it is suggested that the charging arrangements (codified in the charging methodologies) for Entry Overrun would establish charges related to the cost imposed of accommodating Entry Overrun.</p> <p>Appropriate credit will be required. The level required would be established in the assessment stage in accordance with the Best Practice Guidelines for Gas and Electricity Network Operator Credit Cover.</p> <p>This amendment includes a revised process for ‘local only’ applications (connection without long-term entry rights for the wider system) and a change in the nature of long-term and short-term entry rights from nodal to zonal. The zones used would be consistent across all long-term and short-term products. The proposer suggests that in order to ensure equitable treatment of non locational asset costs that the residual charge should be commoditised.</p>		<ul style="list-style-type: none"><li>▪ CAP162 was presented to the April 2008 Panel meeting. The Panel decided that CAP162 should proceed to Working Group. Details of the Working Group can be found at <a href="http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/">http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/</a></li><li>▪ On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.</li></ul>			

CAP161

Transmission Access – System Operator Release of Short-term Entry Rights

## ANNEX 1

### CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008

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Proposer	National Grid	Submitted	25/04/08	Submitted Priority	Normal
<b>Amendment Description</b>				<b>Current status and progress</b>	
<p>It is proposed that National Grid would be permitted to release additional entry rights in operational timescales, the short term. These short-term entry rights would be released only when National Grid believes there is spare capacity, where spare capacity is defined in economic terms as capacity for which the ex ante reserve price exceeds the associated buyback risk.</p>				<ul style="list-style-type: none"><li>▪ CAP161 was presented to the April 2008 Panel meeting. The Panel decided that CAP161 should proceed to Working Group. Details of the Working Group can be found at <a href="http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/">http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/</a></li><li>▪ On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.</li></ul>	
<p>National Grid would release short-term entry rights through auction(s) in operational timescales. The mechanics of the auction will be established in the assessment phase. The rights would be zonal with a duration optimised to best meet both User and System Operator requirements, to be agreed in the assessment. The additional entry rights may be offered through auctions in different timescales, e.g. x weeks ahead for a weekly right or year ahead for a quarterly right. Close to real time there may be a preliminary stage of the auction to ascertain interest and justify the analysis involved in producing the auction information and to allow auction zone volumes to be allocated more efficiently.</p>					
<p>Full details of the proposal are available at <a href="http://www.nationalgrid.com/NR/rdonlyres/B0147FE5-DA07-4C15-AB77-9DB979CF89A0/25149/CAP161SystemOperatorReleaseofShorttermEntryRights.pdf">http://www.nationalgrid.com/NR/rdonlyres/B0147FE5-DA07-4C15-AB77-9DB979CF89A0/25149/CAP161SystemOperatorReleaseofShorttermEntryRights.pdf</a></p>					

**ANNEX 1**

**CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008**

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<b>Amendment Description</b>	<b>National Grid</b>	<b>Submitted</b>	<b>25/04/08</b>	<b>Submitted Priority</b>	<b>Normal</b>
<p>It is proposed to re-order the governance process for Amendment Proposals to give a more robust and extended Working Group process which would be broadly in line with the BSC. This process would involve:</p> <ol style="list-style-type: none"> <li>1. An extended working group phase of 4 months, which would include a consultation on the proposed Amendment to gain industry views. We anticipate that the precise time for consultation would be at the discretion of the Working Group Chair but would anticipate that this consultation would occur once the Working Group had 'worked up' the detail of the important aspects of the modification;</li> <li>2. The results of the Working Group consultation, including consideration of any suggested alternative approaches to the defect would then be considered by the Working Group in its continuing work.</li> <li>3. Once complete, Working Group would then submit a draft Amendment Report to the CUSC Amendments Panel for consideration.</li> <li>4. The draft Amendment report would be discussed by the Panel. If the report is accepted by the Panel, the Panel discussion and views would be added to the draft report to form the Amendment Report.</li> <li>5. Following the Amendment Report Consultation if new a issue arose the Panel could chose to return to the Working Group or instigate a Working Group for further work, subject to time constraints.</li> <li>6. The Amendment report would be consulted on for a further period before returning to the Panel for final vote.</li> <li>7. The CUSC Panel would then vote as per the existing process</li> </ol>		<p><b>Current status and progress</b>            CAP160 was presented to the April 2008 Panel meeting. The Panel decided that CAP160 should proceed to Consultation for 4 weeks. CAP160 was issued for Consultation on 29<sup>th</sup> May, with a closing date for responses of 26<sup>th</sup> June. The Panel voted on CAP160 on 18<sup>th</sup> July 2008. The Amendment Report was submitted to the Authority for consideration on 25<sup>th</sup> July 2008. <b>The Authority approved CAP160 on 14 August 2008 with an implementation date of 15 August 2008.</b></p>			

Note for Amendment Proposals that do not go to Working Group , the Amendment Proposal would go straight to consultation with the inclusion of any Panel comments and discussion, and return to Panel at step 5 for discussion on the Consultation responses.

Under this process, the only stage of the proposed Amendment Process that would allow for alternatives to a CUSC Amendment Proposal is the Working Group stage. The aim of this is to ensure that any alternative options raised by the industry in consultation or by Working Group members can be fully considered by the experts on the Working Group.  
 This process would create a governance process similar to the BSC process and therefore create consistent code governance



## ANNEX 1

### CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008

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Proposer	Submitted	Submitted Priority
National Grid	21/06/07	Normal
<b>Amendment Description</b>		<b>Current status and progress</b>
<p>It is proposed to amend the CUSC to enable The Company to ascertain whether a User's power station project (Project) will be capable of utilising the transmission capacity provided for in its Bilateral Agreement by the Completion Date. If the User is unable to provide satisfactory evidence that this is the case then The Company would have the right to propose changes to the User's Bilateral Agreement and Construction Agreement to reduce the capacity to an appropriate level and revise the Construction Works as necessary to reflect this. In addition The Company has the ability to recover the cost from the User of any abortive works (or relevant User Commitment Charges) as a consequence of this reduction in capacity and for The Company's costs associated with processing such changes (as if the changes were requested by the User) on same basis as Modification application Fees.</p>		<ul style="list-style-type: none"><li>▪ CAP150 was presented to the June 2007 Panel meeting. The Panel decided that CAP150 should proceed to Working Group for 3 months. The first Working Group meeting was held on 18<sup>th</sup> July. A request for a month's extension was made at the September CUSC Panel, this was approved by the Authority. The Working Group Report was presented to the October Panel, it was approved with minor amendments. The Panel agreed for CAP150 to Proceed to Consultation for 4 weeks. CAP150 was issued for Consultation on 29<sup>th</sup> November, with a closing date for responses of 27<sup>th</sup> December. A Consultation Alternative was issued on 30<sup>th</sup> January with a closing date of 13<sup>th</sup> February. The Panel voted on CAP150 on 29<sup>th</sup> February 2008. The Amendment Report was submitted to the Authority for consideration on 28<sup>th</sup> March 2008. The Authority approved CAAA on 1<sup>st</sup> May with an implementation date of 16<sup>th</sup> May 2008.</li></ul>
<b>CAP149</b>		<b>TEC Lite</b>
Proposer SSE Generation Limited	Submitted 21/06/07	Submitted Priority Normal
<b>Amendment Description</b>		<b>Current status and progress</b>
<p>It is proposed to amend the CUSC to formalise existing transmission access arrangements whereby some Users, through non-standard variations to their Bilateral Agreement, have restricted access to the GB Transmission System.</p> <p>The proposed amendment would establish a new enduring access product for existing and future Users with such restricted access rights. The proposed new product is to be termed the TEC-lite</p>		<p>CAP149 was presented to the June 2007 Panel meeting. The Panel decided that CAP149 should proceed to Working Group for 3 months. The first Working Group meeting was held on 25<sup>th</sup> July. The Working Group Report was presented to the September Panel, it was approved with minor amendments. The Panel agreed for CAP149 to Proceed to Consultation for 4 weeks. CAP149 was issued for Consultation on 19<sup>th</sup> October, with a closing date for responses of 16<sup>th</sup> November. A Consultation Alternative was issued on 7<sup>th</sup> December with a closing date of 21<sup>st</sup> December. The Panel voted on CAP149 on 25<sup>th</sup> January 2008. At the February 2008 CUSC Panel, the Panel were requested to vote on the disparity between the proposed implementation dates and whether Scottish and Southern Energy's comments had been reflected accurately. The Amendment Report was submitted to the Authority for consideration on 17<sup>th</sup> March 2008. The Authority approved CAP149 on 23<sup>rd</sup> April with an implementation date of 24<sup>th</sup> May 2008.</p>

ANNEX 1

CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008

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**CAP148**

**Deemed Access Rights to the GB Transmission System for Renewable Generators**

**Proposer** Wind Energy (Forse) Limited

**Submitted** 19/04/07

**Submitted Priority** Normal

**Amendment Description**

This Amendment Proposal will prioritise the use of the GB Transmission System by renewable generators, in accordance with the Renewables Directive 2001/77, Article 7.

Renewable generators will be given firm access to the GB Transmission System up to their CEC limit by a fixed date and be compensated to the extent they are constrained from exercising such right by the payment of a new category of Interruption Payment. This will be irrespective of whether or not any associated deep reinforcement works have been constructed and/or commissioned by such date

**Current status and progress**

- CAP148 was presented to the April 2007 Panel meeting. The Panel decided that CAP148 should proceed to Working Group for 3 months. The first meeting was held on 21<sup>st</sup> May. At the June CUSC Panel an extension for a further month was granted. The Report was presented at the August Panel, a request was made for further information to be added, which will be e-mailed to the CUSC Panel for approval of the Working Group Report. The Working Group Report was accepted by the CUSC Panel, and CAP148 was issued for Consultation on 28<sup>th</sup> September, with a closing date for responses of 26<sup>th</sup> October. The Panel voted on CAP148 on 30<sup>th</sup> November 2007. The Amendment Report was submitted to the Authority for consideration on 14<sup>th</sup> December 2007.

**CAP144**

**Emergency Instruction to emergency deenergise**

**Proposer** National Grid

**Submitted** 18/01/07

**Submitted Priority** Normal

**Amendment Description**

It is proposed to extend the provisions introduced by CAP048 (Firm Access and Temporary Physical Disconnection) to include the specific circumstances when a Generator is exporting but is required to deenergise / disconnect from the Transmission System in an emergency via an Emergency Instruction (EI) issued by National Grid in Balancing Mechanism timescales in accordance with the Grid Code.

**Current status and progress**

- CAP144 was presented to the January 2007 Panel meeting. The Panel decided that CAP144 should proceed to Working Group for 3 months. The first meeting was held on 14 February 2007. The Working Group Report will be presented to the April 2007 CUSC Panel. The Working Group Report was presented to the CUSC Panel on 27<sup>th</sup> April 2007, it was agreed to proceed to Consultation for 5 weeks to allow for Bank Holidays. The Consultation was issued on 18<sup>th</sup> May with a closing date of 22<sup>nd</sup> June. A Consultation Alternative was issued on 3<sup>rd</sup> July with a closing date of 17<sup>th</sup> July. The Panel voted on CAP144 on 31<sup>st</sup> August 2007. The Amendment Report was submitted to the Authority for consideration on 17<sup>th</sup> September 2007. The Authority approved WGAA which was implemented on 27<sup>th</sup> June.

## ANNEX 1

### CUSC AMENDMENT REGISTER – as at 31<sup>st</sup> August 2008

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#### CAP131

**Proposer** National Grid

#### User Commitment for New and Existing Generators

**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. The first meeting of the Working Group was held on 19 October 2006. The Working Group requested an extension of 2 months at the CUSC Panel Meeting on 24 November 2006 which the Authority approved. The report will now be given to the February 2007 CUSC Panel. The Working Group Report was presented to the CUSC Panel on 23 February 2007, it was agreed to proceed to Consultation for 4 weeks. The Consultation was issued on 16<sup>th</sup> March with a closing date of 13<sup>th</sup> April 2007. A number of Consultation Alternatives have been proposed and a further Consultation Document will be issued for 2 weeks. A number of Consultation Alternatives were proposed and a further Consultation Document was issued for 2 weeks on 8<sup>th</sup> May. The Panel voted on CAP131 on 29<sup>th</sup> June 2007, details of the vote were issued to the CUSC Panel for 5 days on 2<sup>nd</sup> July 2007. The Amendment Report was issued to the Authority on 24<sup>th</sup> July 2007. **Impact Assessment issued 6 June 2008. Deadline for responses 18 July 2008. Authority considering the responses to the Impact Assessments.**