

## Codes Summary

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

### **CUSC**

The CUSC Amendments Panel met on 25<sup>th</sup> January 2008

- CAP131 (User Commitment for New and Existing Generators) – Amendment Report sent to Authority for consideration
- CAP148 (Deemed Access Rights to the GB Transmission System for Renewable Generators) Amendment Report sent to Authority for consideration
- CAP149 (TEC Lite) Amendment Report sent to Authority for consideration
- CAP150 (Capacity Reduction) Consultation alternative issued on 30<sup>th</sup> January, closing date 13<sup>th</sup> February – possible impact on the STC
- CAP159 (Arrangements for CUSC Mid- Term elections) – Amendment Report sent to Authority for consideration

### **BSC**

The BSC panel met on 17<sup>th</sup> January 2008.

The following modifications are progressing:

P215 – Revised Credit Cover Methodology for Generating BM Units seeks to modify the BSC such that Final Physical Notifications (FPN) are used in the calculation of Credit Assessment Energy Indebtedness (CEI) for ‘generating BM Units’, instead of Credit Assessment Load Factors (CALF) and Generation Capacity (GC), in order to improve the accuracy of the Credit Cover arrangements for ‘generating BM Units. – Due for panel consultation this month

P217 - Revised Tagging Process and Calculation of Cash Out Prices: This modification seeks to amend the methodology by which Imbalance Prices are calculated. Presently in the working group phase

P218 - seeks to create a mechanism to allow more Micro-generation to be accounted for within the settlement process by treating in a similar way to Non Half Hourly un-metered supply. Currently at modification group stage.

P219 – modification to amend the calculation of Demand that is published on the BMRS. – due for panel consultation this month

P220 – modification to improve the variety of information published on the BMRS. due for panel consultation this month

P221 – Amendments to the Balancing and Settlement Code to reflect changes to the Fuel Security Code – Process Modification – With Authority for decision

P222 – Provision of EAC and AA data to distributors – At assessment stage

### **Grid Code**

#### **Grid Code**

The last meeting of the **Grid Code Review Panel** took place on Thursday 7<sup>th</sup> February 2008.

#### **Consultation Documents**

G/06 - Power Park Modules and Synchronous Generating Units, submitted to the Authority for determination on 21<sup>st</sup> December 2007.

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

D/07 – Frequency response requirements, submitted to the Authority for determination on 7<sup>th</sup> January 2008.

F/07 – Grid Code Requirements for Current Sourced DC Links, consultation closed on 18<sup>th</sup> January 2008; 3 replies received.

G/07 – Black Start, consultation closed on 31<sup>st</sup> January 2008; 8 replies received.

#### **Working Groups**

Grid Code Data Exchange Working Group

- tasked with identifying an enduring solution to the interaction between the STC and Grid Code regarding the data exchange

Grid Code Compliance Process Working Group

- tasked with the review and recommendation of the codification of the compliance process and technical performance obligations (currently specified in the Compliance Guidance Notes).

#### Grid Code Rated MW Working Group

- review the implications on the GB Transmission System of Generating Units operating above their Rated MW levels and recommend changes that may be required to the Grid Code and related industry documents

#### GIS Working Group

- jointed Grid Code and CUSC Working Group tasked with regarding the issues pertaining to the utilisation of GIS e.g. ownership boundaries.

### **Charging**

#### Charging for "local" assets

- NGET presented initial high-level options to improve the cost-reflectivity of the charging arrangements for "local" assets at the Charging Issues Standing Group (CISG) meeting on Thursday 31 January 2008.
- NGET intend to publish a pre-consultation covering these options in further detail during February 2008.

#### Charging for offshore transmission

- The consultation closed on 31 January 2008 and NGET are currently preparing a conclusions report for the Authority.

#### Zoning

- The consultation, focusing mainly on providing clarity on the 'exceptional circumstances' and the '+/-' criteria, closed on 4 February 2008 and NGET are currently considering responses.

# AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

## As at 12 February 2008

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

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/)

**ANNEX 1**  
**STC AMENDMENT REGISTER – AS AT 31 January 2008**

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

<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: <ul style="list-style-type: none"><li>- Agreement for Energisation</li><li>- Agreement for Interim Operational Notification</li><li>- Interim Operational Notification</li></ul>		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. <b>Authority approved CA027 on 25 January 2008 with an implementation date of 1 February 2008.</b>	
Amend Section G to reference the revised paragraph numbering as a result of CA025			

<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: <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>		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. <b>Authority approved CA028 on 28 January 2008 with an implementation date of 4 February 2008.</b>	
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.			

**ANNEX 1**  
**STC AMENDMENT REGISTER – AS AT 31 January 2008**

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**CA026**

**Exchange of Data Amongst Relevant Parties in Schedules 5, 6, 7, 11 and 13**

<b>Proposer</b>	National Grid	<b>Submitted</b>	13/02/07	<b>Submitted</b>	Normal
				<b>Priority</b>	

**Amendment Description**

Allow the transfer of the Construction Planning Assumptions to the Transmission Owners (TOs) in Schedules 5, 6, 7, 11 and 13.

Allow the same data to be transferred to the Other Affected TO (e.g. Section D, Part 2, Paragraph 2.2.3) as provided to the Affected TO (e.g. Section D, Part 2, Paragraph 2.2.2) in Schedules 5, 6, 7 and 13.

**Current status and progress**

CA026 (Exchange of Data Amongst Relevant Parties in Schedules 5, 6, 7, 11 and 13) was proposed by National Grid and discussed at the February 2007 STC Committee meeting. The Committee decided that CA026 should proceed directly to the Assessment and Report Phase. The STC Committee decided in the May 2007 STC Committee meeting that we would delay the approval and publication of the proposed Amendment Report to await the outcome of what is decided for CA023 as it also may be impacted by further review of CA023. STC Committee agreed for CA026 to be sent out to consultation on 29 August for 10 business days. The STC Committee members noted that no responses for received for the consultation. The STC Committee agreed for CA026 to proceed to the Authority for determination. Authority decision received on the 22 October 2007 to reject CA026.

**CA024**

**Clarification of Construction Planning Assumption Data Requirements**

<b>Proposer</b>	National Grid	<b>Submitted</b>	13/02/07	<b>Submitted</b>	Normal
				<b>Priority</b>	

**Amendment Description**

Amend Section D, Part 2, Paragraph 3.1 such that the baseline for assessing NGET Construction Applications is the 'contracted background' as described in PC.5.4 of the Grid Code.

Amend Section D, Part 2, Paragraph 3.3 such that the latest submitted version of the 'contracted background' becomes the default data to be used when assessing a NGET Construction Application.

**Current status and progress**

CA024 (Clarification of Construction Planning Assumption Data Requirements) was proposed by National Grid and discussed at the February 2007 STC Committee meeting. The Committee decided that CA024 should proceed directly to the Assessment and Report Phase. The STC Committee decided in the May 2007 STC Committee meeting that we would delay the approval and publication of the proposed Amendment Report to await the outcome of what is decided for CA023 as it also may be impacted by further review of CA023. STC Committee agreed for CA026 to be sent out to consultation on 29 August for 10 business days. The STC Committee members noted that no responses for received for the consultation. The STC Committee agreed for CA026 to proceed to the Authority for determination. Authority approved CA024 on the 22 October 2007 with an implementation date of 29 October 2007.

**ANNEX 1**  
**STC AMENDMENT REGISTER – AS AT 31 January 2008**

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<b>CA023</b>	<b>Exchange of Best View Investment Planning Data Outside the Boundary of Influence</b>				
<b>Proposer</b>	National Grid	<b>Submitted</b>	13/02/07	<b>Submitted Priority</b>	Normal
<b>Amendment Description</b>	<b>Current status and progress</b>				
<p>This amendment proposes changes to Schedule 3 and Schedule 14 of the STC. The changes would allow National Grid to release the full GB Investment Planning models, including the Investment Planning Ranking Orders and Investment Planning network models, to the TOs for the purposes of investment planning.</p>	<p>CA023 (Exchange of Best View Investment Planning Data Outside the Boundary of Influence) was proposed by National Grid and discussed at the February 2007 STC Committee meeting. The Committee decided that CA023 should proceed directly to the Assessment and Report Phase. The STC Committee reviewed and signed-off the Proposed Amendment Report at April's STC Committee meeting. Proposed Amendment Report circulated to industry for consultation on 23<sup>rd</sup> May 2007. Consultation period closed on 17<sup>th</sup> May 2007. One consultation response was received from E.ON UK which raises some issues that need to be resolved before the Amendment Report can be approved. The Grid Code may need to be reviewed in addition to the STC for the proposed amendment. The STC Committee will discuss the impact of the response at the June STC Committee meeting. An Extraordinary GCRP meeting was held on 31st July to discuss the impact of CA023 on the Grid Code with a view to progressing a modification to the Grid Code. It is planned that the submission of the Amendment Report for CA023 coincides with the date of such a Grid Code modification anticipated at the end of December 2007. Sent to Authority for determination on 21<sup>st</sup> August 2007. Authority decision received on 4 October 2007, to reject CA023.</p>				

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

### Arrangements for CUSC Mid- Term elections

#### CAP159

**Proposer** National Grid

**Submitted** 6/12/07

**Submitted  
Priority** Normal

#### Amendment Description

The objective of this amendment is to allow for a mid-term election of Panel Member and Alternates should a Panel Member resign or be unable to undertake their Panel duties and there are no elected Alternates to replace them.

It is proposed to introduce a mid term election process.

The process would be as the main elections which are held every 2 years CUSC 8A; in summary:

- Notification would be issued stating an election will be held and the process including the timescales
- A nomination period for CUSC signatories to nominate a new representative
- Should more than one person be nominated then a voting process would take place as per the main CUSC Panel elections
- An voting period for all CUSC Signatories
- The nominee receiving the highest number of votes would become a Panel Member and the remaining nominee(s) would become alternate members for the remaining Panel term in accordance with CUSC 8A.3.7.1

It should be noted that this facility would only be used if there was a 6 months term or more remaining of the Panel and all current Panel Members appointments would continue until the next main election.

#### Current status and progress

- CAP159 was presented to the December 2007 Panel meeting. The Panel decided that CAP159 should proceed to Consultation for 4 weeks. The Consultation document was published on 17<sup>th</sup> December with a closing date for response of 14<sup>th</sup> January 2008. **The Panel voted on CAP149 on 25<sup>th</sup> January 2008.**

### Provision of interim response volume information

#### CAP158

**Proposer** National Grid

**Submitted** 23/08/07

**Submitted Priority** Normal

**Amendment Description**

It is proposed to extend the current information arrangements for providing mandatory frequency response volume data by including additional clause in CUSC 4.1.3.13A.

This will require National Grid, using reasonable endeavours, to publish additional volume data by the end of the 3<sup>rd</sup> Business Day using non-validated data will enable the market to better respond to the volume signals prior to the monthly price submission.

Consequently, this amendment will improve information for market participants prior to them submitting their monthly prices.

**Current status and progress**

- CAP158 was presented to the August 2007 Panel meeting. The Panel decided that CAP158 should proceed to Consultation for 4 weeks. The Consultation document was published on 14<sup>th</sup> September with a closing date for response of 12<sup>th</sup> October. A Consultation Alternative document was published on 26<sup>th</sup> October with a closing date of 9<sup>th</sup> November. The Panel voted on CAP158 on 30<sup>th</sup> November 2007. The Amendment Report was submitted to the Authority for consideration on 18<sup>th</sup> December 2007. **The Authority approved CAP158 on 14<sup>th</sup> January with an implementation date of 28<sup>th</sup> January 2008.**

**Extension of Qualified Company Definition**

**CAP157**

**Proposer** CRE Energy Limited

**Submitted** 20/07/07

**Submitted Priority** Normal

**Amendment Description**

It is proposed to amend the CUSC to permit Users to procure that security which is required to be provided under Paragraph 2.22.1 of the CUSC and under the provisions of Bilateral Connection Agreements, BELLAs, BEGAs and Construction Agreements by way of a Performance Bond from a Qualified Company may be provided by a wider category of companies than is currently provided for.

Specifically, it is proposed to widen the definition of 'Qualified Company' or "Qualifying Company" to enable affiliates of a User rather than solely a User's shareholders or immediate holding companies to provide security. The proposed drafting amendments are set out in Appendix 1. The proposed amendment in no way affects the requirement that a Qualified Company or Qualifying Company must have the specified credit rating.

**Current status and progress**

- CAP157 was presented to the July 2007 Panel meeting. The Panel decided that CAP157 should proceed to Working Group for 3 months. The Working Group Report was presented to the October Panel, it was approved with minor amendments. The Panel agreed for CAP157 to Proceed to Consultation for 4 weeks. The Consultation Report was issued on 2<sup>nd</sup> November with a closing date of 29<sup>th</sup> November 2007. The Panel voted on CAP157 on 14<sup>th</sup> December 2007. The Amendment Report was submitted to the Authority for consideration on 24<sup>th</sup> December 2007. **The Authority approved CAP157 on 31<sup>st</sup> January with an implementation date of 14<sup>th</sup> February 2008.**



Reactive Power Default Payment Rate – Use of Spectron Power Index

**CAP156**

**Proposer** National Grid

**Submitted** 19/07/07

**Submitted Priority** Normal

**Amendment Description**

Amendment to Schedule 3, Appendix 1 part 3.1 and 3.2 of the CUSC to remove the Spectron cumulative over the counter power index from the calculation of the reactive default payment rate as it is no longer being published.

**Current status and progress**

- CAP156 was presented to the July 2007 Panel meeting. The Panel decided that CAP156 should proceed to Consultation for 4 weeks. The Consultation Report was issued on 9<sup>th</sup> August with a closing date of 6<sup>th</sup> September 2007. The CUSC Panel unanimously vote that CAP156 was better than the baseline on 28<sup>th</sup> September. The Amendment Report was submitted to the Authority for consideration on 10<sup>th</sup> October 2007. The Authority Approved CAP156 on 12<sup>th</sup> November and it was implemented on 26<sup>th</sup> November.

**Exhibit I Revisions**

**CAP155**

**Proposer** National Grid

**Submitted** 21/06/07

**Submitted Priority** Normal

**Amendment Description**

Various amendments to Exhibit I

**Current status and progress**

- CAP155 was presented to the June 2007 Panel meeting. The Panel decided that CAP155 should proceed to Working Group for 3 months. The first Working Group meeting was held on 18<sup>th</sup> July. The Working Group Report was presented to the September Panel. The Panel agreed for CAP155 to Proceed to Consultation for 4 weeks. CAP155 was issued for Consultation on 19<sup>th</sup> October, with a closing date for responses of 16<sup>th</sup> November. The Panel voted on CAP155 on 14<sup>th</sup> December 2007. The Amendment Report was submitted to the Authority for consideration on 24<sup>th</sup> December 2007. **The Authority approved WGAA on 31<sup>st</sup> January with an implementation date of 14<sup>th</sup> February 2008.**

**Exhibit F Revisions**

**CAP154**

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

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**Proposer** National Grid  
**Amendment Description**  
Various amendments to Exhibit F

**Submitted** 21/06/07

**Submitted  
Priority** Normal

**Current status and progress**

- CAP154 was presented to the June 2007 Panel meeting. The Panel decided that CAP154 should proceed to Working Group for 3 months. The first Working Group meeting was held on 18<sup>th</sup> July. The Working Group Report was presented to the September Panel. The Panel agreed for CAP154 to Proceed to Consultation for 4 weeks. CAP154 was issued for Consultation on 19<sup>th</sup> October, with a closing date for responses of 16<sup>th</sup> November. The Panel voted on CAP154 on 14<sup>th</sup> December 2007. The Amendment Report was submitted to the Authority for consideration on 24<sup>th</sup> December 2007. **The Authority approved WGAA on 31<sup>st</sup> January with an implementation date of 14<sup>th</sup> February 2008.**

**CAP153 Proposer** National Grid  
**Amendment Description**  
Various amendments to Exhibit D

**Submitted** 21/06/07

**Submitted  
Priority** Normal

**Current status and progress**

- CAP153 was presented to the June 2007 Panel meeting. The Panel decided that CAP153 should proceed to Working Group for 3 months. The first Working Group meeting was held on 18<sup>th</sup> July. The Working Group Report was presented to the September Panel. The Panel agreed for CAP153 to Proceed to Consultation for 4 weeks. CAP153 was issued for Consultation on 19<sup>th</sup> October, with a closing date for responses of 16<sup>th</sup> November. The Panel voted on CAP153 on 14<sup>th</sup> December 2007. The Amendment Report was submitted to the Authority for consideration on 24<sup>th</sup> December 2007. **The Authority approved WGAA on 31<sup>st</sup> January with an implementation date of 14<sup>th</sup> February 2008.**

**CAP152**

**Proposer** National Grid

**Submitted** 21/06/07 **Submitted Priority** Normal

**Amendment Description**

Various amendments to Exhibit B

**Exhibit B Revisions**

**Current status and progress**

- CAP152 was presented to the June 2007 Panel meeting. The Panel decided that CAP152 should proceed to Working Group for 3 months. The first Working Group meeting was held on 18<sup>th</sup> July. The Working Group Report was presented to the September Panel. The Panel agreed for CAP152 to Proceed to Consultation for 4 weeks. CAP152 was issued for Consultation on 19<sup>th</sup> October, with a closing date for responses of 16<sup>th</sup> November. The Panel voted on CAP152 on 14<sup>th</sup> December 2007. The Amendment Report was submitted to the Authority for consideration on 24<sup>th</sup> December 2007. **The Authority approved WGAA on 31<sup>st</sup> January with an implementation date of 14<sup>th</sup> February 2008.**

**Construction Agreements Works Register**

**CAP151**

**Proposer** National Grid

**Submitted** 21/06/07 **Submitted Priority** Normal

**Amendment Description**

It is proposed to amend the CUSC to provide an obligation on the Company to establish and maintain a register of Transmission Reinforcement Works set out in Generators' and Interconnector Owners' Construction Agreements and/or BELLAs, until such Transmission Reinforcement Works are completed.

**Current status and progress**

- CAP151 was presented to the June 2007 Panel meeting. The Panel decided that CAP151 should proceed to Working Group for 3 months. The first Working Group meeting was held on 18<sup>th</sup> July. The Working Group Report was presented to the September Panel. The Panel agreed for CAP151 to Proceed to Consultation for 4 weeks. CAP151 was issued for Consultation on 5<sup>th</sup> October, with a closing date for responses of 2<sup>nd</sup> November. The Panel voted on CAP151 on 20<sup>th</sup> November 2007. The Amendment Report was submitted to the Authority for consideration on 18<sup>th</sup> December 2007. **The Authority approved on 25<sup>th</sup> January with an implementation date of 8<sup>th</sup> February 2008.**

## Capacity Reduction

### CAP150

**Proposer** National Grid

**Submitted** 21/06/07

**Submitted Priority** Normal

#### Amendment Description

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.

#### Current status and progress

- 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.**

### CAP149

**Proposer** SSE Generation Limited

**Submitted** 21/06/07

**Submitted Priority** Normal

#### Amendment Description

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.

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

## TEC Lite

#### Current status and progress

- 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.**

**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.

**Responsibilities and liabilities associated with Third Party Works and Modifications made by Modification Affected Users**

**CAP146**

**Proposer** E.ON

**Submitted** 18/01/07

**Submitted Priority** Normal

**Amendment Description**

It is proposed that the CUSC be amended to:

1. Clarify that National Grid is responsible for arranging and paying for all Third Party works listed in Appendix N of all relevant Construction Agreements.
2. Change the provisions in Section 6 of the CUSC relating to Modifications made by Modification Affected Users so that National Grid is responsible for paying the costs of all such Modifications.

**Current status and progress**

- CAP146 was presented to the January 2007 Panel meeting. The Panel decided that CAP146 should proceed to Working Group for 3 months. The first Working Group meeting was held on 19 February. 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 25<sup>th</sup> May with a closing date of 29<sup>th</sup> June. A Consultation Alternative was issued on 12<sup>th</sup> July with a closing date of 26<sup>th</sup> July. The Panel voted on CAP146 on 31<sup>st</sup> August 2007. The Amendment Report was submitted to the Authority for consideration on 11<sup>th</sup> September 2007. The Authority approved WGAA D on 12th December with an implementation date of 12th January 2008.

**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.

**Modification Register part 1 – Pending Modifications**

<b>Mod No.</b>	<b>Urgent</b>	<b>Title</b>	<b>Description</b>	<b>Date Raised</b>	<b>Proposer Organisation</b>	<b>Mod Group</b>	<b>Status</b>
<b>P198</b>	—	Introduction of a Zonal Transmission Losses scheme	Under the current BSC arrangements all transmission system losses are allocated to BSC parties in proportion to metered energy, whether production or consumption on a uniform allocation basis (45% to production accounts, 55% to consumption accounts). Therefore, the cost of heating (variable) transmission losses is allocated amongst BSC Parties regardless of the extent to which they give rise to them. This means that customers in the north of GB and generators in the south of England have to pay some of the costs of transmitting electricity to locations miles away from the source of generation. The proposed scheme will enable the variable costs of transmission losses to be allocated on a cost-reflective basis and reflected on parties that cause them. The modification would remove the current cross subsidies and associated discrimination that is inherent in the uniform allocation of transmission losses.	16/12/05	Terry Ballard <b>RWE NPOWER</b>	P82 TLF MG	Sent to the Authority for decision on 22 September 2006.  BSC Panel's recommendation is that both the Proposed and Alternative Modifications should not be made.
<b>P200</b>	—	Introduction of a Zonal Transmission Losses scheme with Transitional Scheme	Section T of the BSC contains the term "transmission loss factor" (TLF), currently set to zero. We propose that, subject to feasibility, from 1st October 2007, the value of TLF be amended from zero to a zonal factor to be derived ex-ante and applied separately to generation and demand by zone, as per P198. We propose that, concurrent to the introduction of zonal TLFs, a transitional scheme is applied to existing generating plant meaning CVA-registered BM Units, including interconnector units, with their production/consumption flag set to "production" ("Production BMUs"). The transitional scheme would allow time-limited retention of existing transmission loss factors for fixed volumes of energy according to a mechanism similar to the EU ETS.	21/04/06	Phil Lawless <b>TEESIDE POWER</b>	P198 MG	Sent to the Authority for decision on 22 September 2006.  BSC Panel's recommendation is that both the Proposed and Alternative Modifications should not be made.
<b>P203</b>	—	Introduction of a seasonal Zonal Transmission Losses scheme	This modification is based on the seasonal alternative solution to P198 developed at the modification group but without any phasing. Seasonal zonal Transmission Loss Factors (TLF) (the "applicable TLFs") would be derived ex ante for application to generation and demand BMUs within a zone (the "applicable zone") for each of the four BSC seasons. The proposed scheme would retain the current process for allocating transmission losses to generation and demand (45% of transmission losses to production accounts and 55% to consumption accounts).	26/06/06	Terry Ballard <b>RWE NPOWER</b>	P198 MG	Sent to the Authority for decision on 22 September 2006.  BSC Panel's recommendation is that the Proposed Modification should not be made.

Mod No.	Urgent	Title	Description	Date Raised	Proposer Organisation	Mod Group	Status
P204	—	Scaled Zonal Transmission Losses	Apportion an amount of estimated total variable (heating) losses in each period between BM Units in proportion to their flow volumes multiplied by a scaled zonal marginal Transmission Loss Factor determined from a load flow model. The remaining variable losses and fixed losses would be shared between all flows in proportion to volume as currently. The scaling factor would be determined such that on average over every zone and over time, no BM Unit should expect an allocation of losses less than its uniform volume proportion of fixed losses.	03/07/06	John Capener <b>BRITISH ENERGY</b>	P198 MG	Sent to the Authority for decision on 16 November 2006. BSC Panel's recommendation is that the Proposed Modification should not be made.
P211	—	Main Imbalance Price Based on Ex-post Unconstrained Schedule	This Modification seeks to amend the calculation of the "main" imbalance price such that when the market is short ( $NIV > 0$ ), System Buy Price (SBP) will be based on the least expensive Offers that the System Operator (SO) could have utilised on an unconstrained system. Conversely, when the market is long ( $NIV < 0$ ), System Sell Price (SSP) will be based on the least expensive Bids that the SO could have utilized on an unconstrained system. PAR Tagging would then be applied to the new price stack to ensure that only the most expensive 500 MWh of Bids or Offers are used to set the main price	16/04/07	Jim Beynon <b>EDF ENERGY</b>	P211 MG	Sent to the Authority for decision on 22 October 2007. BSC Panel's recommendation is that the Proposed Modification should not be made.
P212	—	Main Imbalance Price based on market Reference Price	The Modification proposal seeks to replace part of the current energy imbalance price methodology with an alternative method for determining the main imbalance price paid by parties who are in imbalance in the same direction as the system. The solution would use a market-derived reference price.	27/04/07	Keith Munday <b>BIZZ ENERGY</b>	P212 MG	Sent to the Authority for decision on 17 December 2007. BSC Panel's recommendation is that the Proposed Modification should not be made.
P214	—	Issues Relating to Funds Administration	This Modification Proposal seeks to amend the current provisions for the Funds Administration process by: 1. Introducing electronic delivery of Advice/ Confirmation Notes; 2. Combining the amounts from Trading Charges and each Default Charge onto one daily Advice Note; 3. Introducing thresholds below which an Advice Note would not be produced; and 4. Amending the Balancing and Settlement Code (BSC) to bring it in line with modern banking practices. These are some of the approaches that were proposed by the BSC Review 2006/7 'Funds Administration process', and discussed further by the Issue 27 (BSC Review) Group.	03/07/07	Andy Morran <b>Scottish Power</b>	P214 MG	Sent to the Authority for decision on 17 December 2007. BSC Panel's recommendation is that the Proposed Modification should be made. The Authority Approved the Proposed Modification on 24 January 2008. P214 is to be implemented as part of the November 2008 BSC Systems Release on 6 November 2008.



<b>Mod No.</b>	<b>Urgent</b>	<b>Title</b>	<b>Description</b>	<b>Date Raised</b>	<b>Proposer Organisation</b>	<b>Mod Group</b>	<b>Status</b>
<b>P215</b>	—	Revised Credit Cover Methodology for Generating BM Units	The proposal seeks to modify Section M1.2 of the BSC for generating BM Units (where the definition of which BM Units this applies to should be defined during the modification process), replacing the BMCAEC of the CAQCE in the calculation of Credit Assessment Energy Indebtedness (CEI) with Final Physical Notification (FPN).	27/07/07	Rebecca Williams <b>Uskmouth Power Limited</b>	P215 MG	In the Assessment Phase P215 is undergoing a 5 month Assessment Phase, with an Assessment Report to be presented to the BSC Panel on 14 February 2008.
<b>P216</b>	—	Audit of LLF Production	P216 proposes that ELEXON audits the DNOs' production of LLFs so that SVG and ISG can approve them with some confidence as to their accuracy to the methodology. It is also proposed that ELEXON conducts spot checks that the correct LLFCs have been applied to the correct MPAN. As part of this modification it is also proposed that the Code should state that, should a DNO not make their methodologies and production arrangements available, that their LLFs should not be approved, nor should new LLFs associated with new LLFCs be accepted until such time as they have been audited. In this event, only currently approved LLFs and LLFCs may be used in Settlement. It is further proposed that the Code should state that LLFs may not be changed mid-year.	30/07/07	Colin Prestwich <b>Smartest Energy</b>	P216 MG	In the Assessment Phase P216 is undergoing a 4 month Assessment Phase, with an Assessment Report to be presented to the BSC Panel on 14 February 2008.
<b>P217</b>	—	Revised Tagging Process and Calculation of Cash Out Prices	It is proposed that a revised tagging process is introduced to the BSC that would enable bid/offer acceptances (BOA) and forward trades to be tagged as a "system" or an "energy plus system" (i.e. some energy some system) or an "energy only" action based on the primary reason for the action. Each "system" action would be included in the calculation of cash out prices as an un-priced volume whilst each "energy" and "energy plus system" actions would be included in as a priced volume. The development of the "Tagging Methodology Statement", the "Replacement Price Methodology Statement" together with enhanced reporting under the BSC should ensure open and transparent understanding of SO actions and increase confidence that cash out prices reflect the cost of resolving the energy imbalance in real time.	19/10/07	Charles Ruffell <b>RWE Npower</b>	P217 MG	In the Definition Phase P217 is undergoing a 3 month Definition Phase with a Definition Report to be presented to the BSC Panel on 14 February 2008.

Mod No.	Urgent	Title	Description	Date Raised	Proposer Organisation	Mod Group	Status
P218	—	Facilitating Microgeneration within the BSC	<p>The modification is to create a process to allow more microgeneration to be accounted for within the settlement process by treating it in a similar way to NHH unmetered supplies.</p> <p>Each supplier will have a single Pseudo Meter (MPAN) in each GSP group. The supplier will keep a schedule of all sites where they have microgeneration including the type and kW rating of the generation. This will be sent to a new agent (Microgeneration Export Operator) who will use an agreed calculation to create a single export EAC based on a supplier's aggregated microgeneration within each GSP group and assign it to the relevant pseudo meter (MPAN). This will then be passed into settlements as per normal, and will be netted off the supplier's take by the relevant NHHDA.</p>	23/10/07	Chris Welby <b>Good Energy Limited</b>	P218 MG	In the Assessment Phase P218 is undergoing a 4 month Assessment Phase with an Assessment Report to be presented to the BSC Panel on 13 March 2008.
P219	—	Consistency between Forecast and Outturn Demand	<p>The Transmission Company submits demand-related data to the BMRA in accordance with paragraph 6.1 of Section Q. Specifically, the provisions for the submission of National Demand forecasts and Initial National Demand Out-Turn are given in paragraphs 6.1.2 – 6.1.8 and 6.1.13 respectively. This data is subsequently published on the BMRS.</p> <p>This proposal seeks submission and publication of additional data on the BMRS in order to improve consistency, clarity and detail of forecast and outturn demand information, and allow fuller comparison of forecast and outturn data than can be achieved at present. This should give participants more and better information in relation to forecast and outturn demand, allowing more efficient operation of the market.</p> <p>The proposed change seeks to change the make up, and publication on BMRS, of demand forecast and outturn data by providing the following new data items:</p> <ol style="list-style-type: none"> <li>1. Initial Transmission System Demand Out-Turn which includes Interconnector Metered Volume and the demand taken by station transformers and pumped storage units.</li> <li>2. An additional National Demand forecast which does not include Interconnector flows and the demand taken by station transformers and pumped storage units.</li> </ol> <p>The provision of the Initial Transmission System Demand Out-Turn</p>	26/10/07	Shafqat Ali <b>National Grid</b>	P219 MG	In the Assessment Phase P219 is undergoing a 3 month Assessment Phase with an Assessment Report to be presented to the BSC Panel on 14 February 2008.

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			would allow direct comparison with the current National Demand forecasts, and the provision of the additional National Demand forecast (which does not include Interconnector flows and the demand taken by station transformers and pumped storage units) would allow comparison with the current Initial National Demand Out-Turn.				
P220	—	Provision of New Data Items for Improving Market Information	<p>The main defect this modification proposal seeks to address is that the current market information does not fully meet the needs of the industry, as indicated by the industry feedback to the Transmission Company's recent consultation.</p> <p>The industry has also suggested that the key market information is scattered at a number of websites and is not available on a single platform. In particular, there is no daily summary page available for key electricity market information (as is the case for gas) to enable market participants to see quickly the key electricity market operational parameters.</p> <p>The proposed change would lead to the provision of additional information requested by the market, which, in conjunction with the existing market information, could be published in a more user friendly way to deliver a summary page. The summary page when delivered will include a mix of current information already available to the market and the new information referred to in this modification.</p>	26/10/07	Shafqat Ali <b>National Grid</b>	P220 MG	In the Assessment Phase P220 is undergoing a 3 month Assessment Phase with an Assessment Report to be presented to the BSC Panel on 14 February 2008.
P221	—	Amendments to the Balancing and Settlement Code to reflect changes to the Fuel Security Code	<p>The Fuel Security Code (FSC) sets out the framework within which the Secretary of State may exercise the powers contained in sections 34 and 35 of the Electricity Act 1989 (the "Act"), during a Fuel Security Period and provides, amongst other things, market participants with information as to how those effected by the exercise of those powers will be remunerated as a result of the Secretary of State's actions.</p> <p>During a Fuel Security Period the Secretary of State has the power to direct a generator as to the manner in which it is to use fuel stocks and other materials, as well as the way in which it is to operate its generation business. Furthermore, the Secretary of State has the power to direct the Transmission Company to operate the</p>	13/12/07	BSC Panel	N/A	Sent to the Authority for decision on 21 January 2007. BSC Panel's recommendation is that the Proposed Modification should be made.

Mod No.	Urgent	Title	Description	Date Raised	Proposer Organisation	Mod Group	Status
			<p>Transmission System in a specified manner during a Fuel Security Period.</p> <p>In October 2007 an updated version of the FSC was designated (superseding the version designated in 1999) as a result of a review conducted by the Department for Business, Enterprise &amp; Regulatory Reform (BERR). The revisions made enable participants to comply with the directions of the Secretary of State with minimum interference to the market. The most relevant change to the FSC for BSC purposes are changes to the manner in which costs incurred by generators during to a Fuel Security Period (referred to as 'exceptional costs') can be recovered by generators. The revised FSC and guidance can be found here:</p> <p><a href="http://www.berr.gov.uk/energy/reliability/downstream/page30313.html">http://www.berr.gov.uk/energy/reliability/downstream/page30313.html</a></p> <p>Section G1.5 of the Balancing and Settlement Code (BSC) requires the BSC Panel to propose any modifications to the BSC which are necessary to reflect a revised FSC, after consultation with the Secretary of State and the Authority. This consultation exercise has been conducted (with BERR on behalf of the Secretary of State) and confirmation received that this change should proceed through the Modification process. BSCCo recommends that the Panel agree to raise a Modification Proposal in order to align the BSC provisions with the results of the FSC review. The legal text to reflect the FSC changes is provided as an Attachment to the Panel paper (134/07), which seeks agreement to raise this Modification.</p> <p>As the legal text simply reflects the provisions of the FSC this Modification Proposal has been sent direct to Report.</p>				
P222	—	Provision of EAC and AA data to Distributors	<p>This proposal seeks to implement a solution where DSOs receive estimated annual consumption (EAC) or annualised advance (AA) information for non half hourly sites where use of system charges are settled on an aggregated basis (i.e. where consumption data is provided by the D0030 flow). It is proposed that this information be provided by the non half-hourly data collector sending a D0019 flow to the relevant DSO. This modification proposal follows on from work undertaken as part of Issue 31. A report on Issue 31 is expected to be submitted to the BSC Panel meeting of 14 February 2008.</p>	01/02/08	<p>Mike Harding</p> <p><b>The Electricity Network Company Limited</b></p>	P222 MG	<p>In the Initial Written Assessment Phase</p> <p>The IWA of P222 will be presented to the BSC Panel on 14 February 2008.</p>

## Consultation Papers - Current Status Report – February 2008

Paper Ref.	Grid Code Change Reference	Current Status	Notes
G/06	Power Park Modules and Synchronous Generating Units	Pending Authority Decision	Submitted to the Authority on 21 <sup>st</sup> December 2007
B/07	Improved Planning Code Data Exchange for Compliance Assessments	Pending Authority Decision	Submitted to the Authority on 28 <sup>th</sup> September 2007
D/07	Frequency Response Requirements	Pending Authority Decision	Submitted to the Authority on 7 <sup>th</sup> January 2008
F/07	Grid Code Requirements for Current Sourced DC Links	Consultation Closed	Consultation closed on 18 <sup>th</sup> January 2008, 3 replies received
G/07	Black Start	Consultation Closed	Consultation closed on 18 <sup>th</sup> January 2008, 8 replies received