

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

CAP161 (Transmission Access – System Operator Release for Short-Term Entry Rights) – CUSC Panel Vote held on 19 December 2008. Amendment Report is now with Ofgem.

CAP162 (Transmission Access – Entry Capacity Sharing) – CUSC Panel Vote held on 19 December 2008. Amendment Report is now with Ofgem.

CAP163 (Transmission Access – Entry Capacity Sharing) – CUSC Panel Vote held on 19 December 2008. Amendment Report is now with Ofgem.

CAP164 (Transmission Access – Connect & Manage) – CUSC Panel Vote held on 19 December 2008. Amendment Report is now with Ofgem.

CAP165 (Transmission Access – Finite Long-Term Entry Rights) – CUSC Panel Vote held on 19 December 2008. Amendment Report is now with Ofgem.

CAP166 (Transmission Access – Long-Term Entry Capacity Auctions) – CUSC Panel Vote held on 27 February. Amendment Report is now with Ofgem.

CAP167 (Definition of a threshold(s) associated with the request for a Statement of Works) - CUSC Panel Vote held on 30 January 2009. Amendment Report is now with Ofgem.

CAP168 (Under-use and reallocation of TEC) – Assessed as Urgent. Amendment Report sent to Ofgem on 20 May 2009.

CAP169 Provision of Reactive Power from Power Park Modules, Large Power Stations and Embedded Power Stations – Working Group Report to be presented to the CUSC Panel on 31 July 2009.

CAP170 Category 5 System to Generator Operational Intertripping Scheme – CUSC Panel vote held on 23 March 2009. Amendment Report is now with Ofgem.

Grid Code

The most recent meeting of the **Grid Code Review Panel** was held on 21st May 2009 and the next meeting will take place on 17th September 2009. It is expected that an extra GCRP meeting is to be held in early August to discuss the Grid Code implications for CAP169.

Consultation Documents

B/09 – Category 5 System to Generator Intertripping Scheme. Urgent Grid Code Modification to include a definition of a Category 5 Intertripping Scheme in the Grid Code in tandem with CAP 170. A report was submitted to the Authority on 25th March. Ofgem published the Regulatory Impact Assessment (RIA) on 21st May for CAP170/B/09, which closed on 2nd July.

C/09 – Housekeeping amendments. Consultation published on 1 May, responses requested by 1 June 2009.

Working Groups

New Grid Code Working Group on PNs from Intermittent Generation

Working Group held second meeting in early July 2009.

Grid Code Compliance Process Working Group

The Working Group presented its report to the February Panel meeting. The Panel agreed that after a further iteration with the Grid Code community to progress certain issues which have not quite been developed sufficiently National Grid should proceed to consultation. A further meeting of the Working Group was held on 6th July and some further progress was made, although on certain issues (e.g. validation of models) there is still disagreement between National Grid and the Generators on the approach that should be employed which will not now be resolved. Where there are differences between National Grid and the Grid Code community these will be described in the consultation document. National Grid is anticipating the publication of the Grid Code consultation document in the Autumn.

GIS Working Group

The Working Group held its most recent meeting on 29th June. At the May GCRP meeting the chairman of the Working Group requested agreement from the Panel to amend the Terms of Reference of the

Working Group to present its final report to the September 2009 GCRP to allow the Working Group more time to analyse some outstanding issues. The Panel agreed to this request

Frequency Response Working Group

The next Working Group meeting was held on 3rd July with the subsequent meeting scheduled for the 1st September 2009. The industry representatives have been asked to provide costing data on the expected capital cost to meet the existing frequency response obligations with future generating technologies.

Reactive Power Working Group

The Working Group is expected to commence work in Autumn 2009.

E3C OC6.6 Working Group

National Grid presented a draft report to the May GCRP and explained that the report to the Panel on the work of the Group was being made in advance of the report to the E3C. Overall the LFDD scheme had operated well on 27th May 2008. However, some improvements had been identified for the guidance of DNO staff in the context of their involvement with the LFDD scheme. The provisions in OC.6.6 were also considered to be adequate by the Working Group. However, some minor modifications to OC6.6 to provide clarity that the LFDD requirement was based on time of forecast GB Transmission System peak demand and to other parts of the Grid Code to provide more clarity in respect of overall disconnection time were identified.

The Panel noted the report and agreed that it should be submitted to the E3C and the proposed Grid Code changes consulted upon following E3C agreement.

E3C Small Embedded Generation Frequency Obligation Working Group

An information exchange meeting was held with the manufacturers on 28th May 2009 to aid the cooperation with about a dozen manufacturers to identify the capabilities for future plant to meet the frequency obligations in the Grid Code. The Working Group has recently discussed the finding of the meeting and developing legal drafting for revised Frequency Obligations for the Grid Code and Distribution Code. The next meeting of the Group would be held on 3rd September 2009.

Charging

This is a charging proposal from ScottishPower Scottish & Southern, Scottish renewable Forum and the Scottish Government. The proposals is that the basis of generation charges should be changed from paying for the maximum entry capacity (MW) to paying for the usage made of the system based on a uniform rate which is irrespective of location. National Grid published a further consultation on 19 May 2009 seeking further analysis. The consultation closed on 30 June 2009 and National Grid is currently analysing the responses.

GBECM18 Locational BSUoS

This consultation considered revised arrangements for treating costs that arise out of operating SQSS non compliant boundaries. On 17 June 2009, Ofgem wrote to National Grid requesting that this proposal be withdrawn and for further analysis to be performed. National Grid agreed and is currently undertaking the requested analysis..

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 21st July 2009

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

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

STC: www.nationalgrid.com/uk/Electricity/Codes/sotocode/

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

TCMF: <http://www.nationalgrid.com/uk/Electricity/Charges/modifications/>

Grid Code: 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

ANNEX 1
STC AMENDMENT REGISTER – AS AT 30 June 2009

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

CA030		Amendment to the governance timescales		
Proposer	National Grid	Submitted	Submitted Priority	Normal
Amendment Description		Current status and progress		
<p>CA030 - Amendment to add clarity to which information and data can be exchanged between NGET and the Scottish Transmission Owners in accordance with the STC. The amendment would add the allowance of disclosure of high level results of economic studies undertaken for assign investment planning options to a Transmission Owner. The amendment would also remove the references to specific Grid Code Clauses and instead refer more generally to the Grid Code.</p>		<p>The amendment proposal has been circulated to the STC Committee for comments. Comments to feed back via email and reported back at the October 2008 meeting. The STC Committee agreed that CA030 should be referred directly to Assessment and Report Phase and therefore the evaluation phase was not required. CA030 was sent out to industry consultation on the 13 October with views requested by 13 November 2008. Consultation closed on 13 November and responses were received. The Amendment Report was submitted to the Authority on 8 December 2008 for determination. Approval received from the Authority with an implementation date of the 21/1/06.</p>		
CA031		Amendment to the governance timescales		
Proposer	National Grid	Submitted	Submitted Priority	Normal
Amendment Description		Current status and progress		
<p>CA031 - has been raised as a consequence of CUSC Amendment Proposal CAP167 which addresses the problem by developing a Relevant Embedded Small Power Station (RESPS) Methodology which will form a basis for calculating RESPS Thresholds for each Grid Supply Point. NGET shall prepare a draft RESPS Methodology in consultation with owners and operators of Distribution Systems and relevant Transmission Licensees. Following this initial consultation NGET shall publish the RESPS Methodology on the NGET website for a period of 28 days for parties to provide comments to NGET.</p>		<p>The amendment proposal has been circulated to the STC Committee for comments. Comments to feedback via email and reported back at the January 2009 meeting. Evaluation phase to be completed by SPT and SHETL Draft Amendment Report to be approved at the February STC meeting. The STC Committee approved for CA031 to proceed to Company Consultation for a period of 10 days. The final report was submitted to the Authority on the 18/3/09 we are now awaiting a decision.</p>		

ANNEX 1
STC AMENDMENT REGISTER – AS AT 30 June 2009

CA032		Amendment to the governance timescales		
Proposer	National Grid	Submitted	Submitted Priority	Normal
Amendment Description		Current status and progress		
As result of CUSC Amendment Proposals for Transmission Access, this proposed amendment seeks to introduce a further granularity into the works that the TO will be required to identify by identifying those Transmission Reinforcement Works that are required to deliver the Local Capacity Nomination (LCN).		The Amendment Proposal was submitted to the STC Committee on 16 th March 2009 and is awaiting a decision on whether it will need to go to the Evaluation Phase or straight to the Assessment and Report Phase.		
CA033		Amendment to the governance timescales		
Proposer	National Grid	Submitted	Submitted Priority	Normal
Amendment Description		Current status and progress		
House keeping Amendment proposal for Correction of referencing error. Section H, Paragraph 4.3.12 refers to Section E, paragraph 4.1 and requires correction to read Section E, paragraph 5.1.		The Amendment Proposal was brought to attention of the committee at the June STC meeting. The STC committee would now like more information with regards to the nature of the additional highlighted mark ups.		

CAP172

Proposer National Grid**Submitted** N/A**Submitted
Priority** N/A**Amendment Description**

Capacity Pricing Mechanism - CAP172 proposes to change the methodology by which Users are allocated access rights to the system. In order to generate on the system, Users will need to signal their requirements for LCN (Local Capacity Nomination) which sets the limit on generation for their local connection.

Once they have done this, they then have a choice as to how they wish to secure their access rights to the wider system. They can book long-term access rights via the “Capacity Pricing Mechanism” or could take advantage of one of the short-term products being considered as part of CAP161 or ultimately could decide to not book a capacity product as such and hence be liable to pay the applicable overrun charge for their generation.

Current status and progress

- CAP172 was presented to the CUSC Panel on the 3 April 2009. The CUSC Panel voted against CAP172 being submitted on the basis that it was similar to CAP166 WGAA3. Therefore CAP172 was rejected and will not be put forward as a CUSC Amendment Proposal.

ANNEX 1
CUSC AMENDMENT REGISTER – as at 30 June 2009

CAP171

Proposer National Grid

Submitted N/A

**Submitted
Priority** N/A

Amendment Description

Capacity Pricing Mechanism - CAP171 proposes to change the methodology by which Users are allocated access rights to the system. In order to generate on the system, Users will need to signal their requirements for LCN (Local Capacity Nomination) which sets the limit on generation for their local connection. Once they have done this, they then have a choice as to how they wish to secure their access rights to the wider system. They can book long-term access rights via the “Capacity Pricing Mechanism” or could take advantage of one of the short-term products being considered as part of CAP161 or ultimately could decide to not book a capacity product as such and hence be liable to pay the applicable overrun charge for their generation.

Current status and progress

- CAP171 was presented to the CUSC Panel on the 30 March 2009. The CUSC Panel voted against CAP171 being submitted on the basis that it was similar to CAP166 WGAA3. Therefore CAP171 was rejected and will not be put forward as a CUSC Amendment Proposal.

Category 5 System to Generator Operational Intertripping Scheme

CAP170

Proposer National Grid

Submitted 27/02/09

**Submitted
Priority** URGENT

Amendment Description

This proposal seeks to introduce a new category 5 System to Generator Operational Intertripping Scheme to cover intertrips capable of being armed with respect to a derogated non-compliant transmission boundary, which are not captured by categories 1-4. A derogated non-compliant transmission boundary would be defined as a boundary on the transmission system which is subject to Authority approved derogation to the GB Security and Quality of Supply Standards.

Current status and progress

- CAP170 was presented to the CUSC Panel and the panel AGREED the urgent status of this Proposal. The Authority agreed the urgent status of this Proposal. The CUSC Panel and the Authority agreed that the proposal will go straight to company consultation with a view to the Final Amendment Report submitted to the Authority on 25 March 2009.

CAP169 Provision of Reactive Power from Power Park Modules, Large Power Stations and Embedded Power Stations

Proposer National Grid

Submitted 27/02/09

**Submitted
Priority** Normal

Amendment Description

This Amendment Proposal looks to amend various sections of CUSC to accommodate the provision of Reactive Power from Power Park Modules. Currently, the vehicle to enable National Grid to despatch and pay Providers for Reactive Power, the Mandatory Services Agreement (MSA), does not reflect the capability requirement as per Grid Code CC6.3.2 for Power Park Modules i.e. within the Capability Data Tables. It is therefore proposed that additional tables be added to the MSA pro forma in CUSC (Schedule 2 Exhibit 4). This Amendment Proposal also looks to update the Reactive Power Definitions and Interpretations section (Schedule 3, Part I, Clause 1) in line with the Grid Code CC8.1 provisions to reflect that Reactive Power from Power Park Modules is a Mandatory (not Enhanced) Ancillary Service.

Current status and progress

- CAP169 was present to the CUSC Panel on the 27 February 2009. The CUSC Panel agreed for CAP169 to move to Working Group phase. CAP169 Terms of reference were agreed at the CUSC Panel on 24 April 2009, a final Working Group Report will be submitted to the CUSC Panel on 26th June 2009.
- Working Group consultation circulated to the industry on 18 May with a closing date of 1 June 2009.
- **Three responses were received to the WG consultation. The WG report will be presented to the CUSC Panel on 31 July 2009.**

CAP168**Proposer** ConocoPhillip**Transmission Access Under-use and reallocation of TEC****Submitted** 27/02/09**Submitted** Urgent
Priority**Amendment Description**

CAP168 centres on the introduction of an under-use charge for transmission entry capacity (TEC).

Incentivised by an **under-use charge** (additional to TNUoS payments) based on a pre-set multiple of TNUoS payments, parties would make available TEC they do not require by assigning the right to use such TEC to third parties on a bilateral basis. This might be on either a temporary basis within-year or for longer-term blocks of a year (or both). In the case of within-year provision already exists under CUSC 6.34 for CUSC parties to offer unwanted TEC to other grid users but only in certain defined circumstances, and this has not been utilised. Consequently CAP168 would introduce a daily and a weekly access product. Annual blocks could also be sold individually or in multi-year bundles under this proposal

Current status and progress

- CAP168 was presented the CUSC Panel on 27/2/09 with a request for urgent status. The Authority granted this 2 March 2009, with a timetable of having the Final Amendment Report to the Authority on 11 May 2009. On the 3 April the CUSC Panel agreed for a one week extension to the remaining timetable of CAP168. The purpose of the extension is to finalise legal text and complete a working group alternative. It was agreed at the CUSC Panel on the 24 April the 2 day extension for the CUSC Panel Recommendation Vote for CAP168 will take place on 15 May 2009. CUSC Panel Vote took place on the 15 May and the outcome of the voting was:

Original - No - Unanimously
WGAA1 - No – Unanimously
Best - Original – 3 Votes
WGAA1 – 1 Vote
Abstained – 5 Votes

The CUSC Panel agreed for the Final Amendment Report to be sent to the Authority on 20 May 2009 for consideration.

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

CAP167**Definition of a threshold(s) associated with the request for a Statement of Works****Proposer**

National Grid

Submitted

16/05/08

**Submitted
Priority**

Normal

Amendment Description

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.

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.

Current status and progress

- 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 26th June.
- 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.
- Working Group Consultation was published on 6 October 2008. Deadline for consultation responses is 3 November 2008.
- Working Group Report due to be presented at the CUSC Panel on 5 December 2008.
- CAP167 Working Group consultation was issued for company consultation on 12 December 2008, and closed on 12 January 2009.
- Draft Amendment Report to be sent to CUSC Panel with a view to being sent to the Authority.
- Final Amendment Report submitted to Authority on 18 February 2009 for consideration.

CAP166**Transmission Access – Long-term Entry Capacity Auctions****Proposer**

National Grid

Submitted 25/04/08**Submitted
Priority** Normal**Amendment Description**

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.

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.

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

Current status and progress

- 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 <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg165-166/>
- On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.
- On 3 October 2008 the Panel and the Authority approved an extension of 2 weeks for the Working Group Consultation to be published.
- The Working Group Report due to be presented at the CUSC Panel on 5 December 2008.
- Working Group report due to be presented to the Panel on 30 January 2009.
- CUSC Panel voted on the 27 February the Panel recommended that neither the Original nor any of the Alternatives for CAP166 be approved. This is currently with the Authority for consideration.

CAP165**Transmission Access – Finite Long-term Entry Rights****Proposer**

National Grid

Submitted 25/04/08**Submitted
Priority** Normal**Amendment Description**

Introduction of temporally defined finite long-term entry access rights, and associated user commitment.

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.

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.

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).

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.

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

Current status and progress

- CAP165 was presented to the April 2008 Panel meeting. The Panel decided that CAP165 should proceed to Working Group. Details of the Working Group can be found at <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg165-166/>
- On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.
- Working Group Consultation was published on the 3 October 2008. Deadline for consultation response is 31 October 2008.
- Company Consultation published on 1 December 2008 and closes on 15 December 2008.
- On the 19 December the CUSC Panel agreed that WGAA4 better and best met the applicable objectives.
- Final Amendment Report submitted to the Authority on 8 January 2009.

CAP164**Proposer**

National Grid

Transmission Access – Connect and Manage**Submitted** 25/04/08**Submitted
Priority** Normal**Amendment Description**

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).

The TEC effective date will be subject to 'force majeure' provisions as currently defined in the CUSC.

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.

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.

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.

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).

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.

The transition arrangements for existing contracts will be agreed in the amendment assessment stage.

Current status and progress

- CAP164 was presented to the April 2008 Panel meeting. The Panel decided that CAP164 should proceed to Working Group. Details of the Working Group can be found at <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/>
- On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.
- Working Group Consultation was published on the 3 October 2008. Deadline for consultation response is 31 October 2008.
- Company Consultation published on 1 December 2008 and closes on 15 December 2008.
- On the 19 December the CUSC Panel agreed that WGAA better and best met the applicable objectives.
- Final Amendment Report submitted to the Authority on 8 January 2009.

CAP163**Proposer**

National Grid

Transmission Access – Entry Capacity Sharing**Submitted**

25/04/08

**Submitted
Priority**

Normal

Amendment Description

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.

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.

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.

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.

Transition arrangements from the current Transmission Entry Capacity, TEC, will be considered in the amendment assessment stage.

Current status and progress

- 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 <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/>
- On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.
- Working Group Consultation was published on the 3 October 2008. Deadline for consultation response is 31 October 2008.
- Company Consultation published on 28 November 2008 and closes on 12 December 2008.
- On the 19 December the CUSC Panel agreed that WGAA better and best met the applicable objectives.
- Final Amendment Report submitted to the Authority on 8 January 2009.

CAP162		Transmission Access – Entry Overrun	
Proposer	National Grid	Submitted	25/04/08
		Submitted Priority	Normal

Amendment Description

Creation of a commercial mechanism for dealing with export above existing entry access capacity holdings.

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’.

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.

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.

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.

Current status and progress

- 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 <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/>
- On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.
- Working Group Consultation was published on the 3 October 2008. Deadline for consultation response is 31 October 2008.
- Company Consultation published on 28 November 2008 and closes on 12 December 2008
- On the 19 December the CUSC Panel agreed that WGAA better and best met the applicable objectives.
- Final Amendment Report submitted to the Authority on 8 January 2009.

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

CAP161

Proposer National Grid

Submitted 25/04/08

Submitted
Priority Normal**Amendment Description**

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.

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.

Full details of the proposal are available at
<http://www.nationalgrid.com/NR/rdonlyres/B0147FE5-DA07-4C15-AB77-9DB979CF89A0/25149/CAP161SystemOperatorReleaseofShorttermEntryRights.pdf>

Current status and progress

- 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 <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/wg161-164/>
- On 15 July 2008 the Panel and the Authority approved an extension of 2 months for the Working Group.
- Working Group Consultation was published on the 3 October 2008. Deadline for consultation response is 31 October 2008.
- Company Consultation published on 28 November 2008 and closes on 12 December 2008.
- On the 19 December the CUSC Panel agreed that WGAA1 better and best met the applicable objectives.
- Final Amendment Report submitted to the Authority on 8 January 2009.

CAP160		Improvements to the assessment of Amendments			
Amendment Description	National Grid	Submitted	25/04/08	Submitted Priority	Normal

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:

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;
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.
3. Once complete, Working Group would then submit a draft Amendment Report to the CUSC Amendments Panel for consideration.
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.
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.
6. The Amendment report would be consulted on for a further period before returning to the Panel for final vote.
7. The CUSC Panel would then vote as per the existing process

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

Current status and progress

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 29th May, with a closing date for responses of 26th June. The Panel voted on CAP160 on 18th July 2008. The Amendment Report was submitted to the Authority for consideration on 25th July 2008. The Authority approved CAP160 on 14 August 2008 with an implementation date of 15 August 2008.

CAP148	Deemed Access Rights to the GB Transmission System for Renewable Generators			Submitted Priority	Normal
Proposer Wind Energy (Forse) Limited	Submitted	19/04/07			
Amendment Description	Current status and progress				
<p>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.</p> <p>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</p>	<ul style="list-style-type: none"> ▪ 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 21st 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 28th September, with a closing date for responses of 26th October. The Panel voted on CAP148 on 30th November 2007. The Amendment Report was submitted to the Authority for consideration on 14th December 2007. ▪ Ofgem have written to CUSC Parties to inform them that the Authority has requested Ofgem to undertake further industry consultation on CAP148 before it reaches its final decision. Ofgem will publish this consultation in early February 2009. The Authority will take into account responses to the proposed consultation in making its final decisions. The Authority currently expects to be in a position to make its final decisions on CAP148 in Spring 2009. 				