

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

CAP179 (Prevention of "Timing Out" of Authority decisions on Amendment Proposals) - CAP179 was raised by National Grid as part of a suite of industry code modifications to attempt to prevent "timing out" of Authority decisions on Amendment Proposals. The Working Group developed an Alternative Amendment and National Grid raised a further Working Group Alternative Amendment. At the meeting on 26th November 2010, the Panel voted by a majority of 8 to 1 to reject implementation of all of the options under CAP179. **The final Amendment Report was sent to the Authority for a decision on 13th December 2010.**

CAP181 (Consequential changes related to Grid Code Amendment A/10 (Compliance)) - CAP181 seeks to formalise a compliance process within the Grid Code for all new generators and Direct Current converter stations (DCCS) to improve consistency and visibility of the existing processes. The proposal is currently on hold pending a decision on the way forward for Grid Code Amendment A/10, although it is likely to be withdrawn following a change in direction on the compliance process. **At the Panel meeting on 26th November 2010, the Panel noted that National Grid may withdraw CAP181 as it may no longer be required.**

CAP182 (Provision of frequency response from DC converters) - CAP182 had been raised by National Grid as a result of Grid Code Modification H/04, which obligates Direct Current Converters (DC) completed after 1st April 2005 to meet certain requirements under the Grid Code, including the capability to provide the mandatory ancillary service of frequency response. This proposal was subsequently withdrawn on 11th November. This is because the amendment's purpose was to treat interconnectors and generators the same in the provision of frequency response, but developments with Ofgem and the European 3rd Package state that it is not possible to treat them in the same way. **At the Panel meeting on 26th November 2010, the Panel noted that the proposer had withdrawn their support for CAP182 and a final notification of Withdrawal was sent out to CUSC parties on 8th December 2010.**

CAP183 (Code Governance Review: Significant Code Review) - CAP183 seeks to introduce a new process to follow for Amendment Proposals raised during a Significant Code Review and amendments to the existing process for any new proposals raised as a result of an SCR direction from the Authority. The proposal was sent to the Authority on 9th November 2010 and a decision letter approving the proposal was received on 14th December 2010. **CAP183 was implemented on 30th December 2010.**

CAP184 (Code Governance Review: Self Governance) - CAP184 seeks to implement a new route for Amendment Proposals to follow which would not require the Authority to make a decision at the end of the process. The proposal was sent to the Authority on 9th November 2010 and a decision letter approving the proposal was received on 14th December 2010. **CAP184 was implemented on 30th December 2010.**

CAP185 (Code Governance Review: Role of the Code Administrator and Code Administration Code of Practice) - CAP185 seeks to make amendments to the CUSC to reflect the principles contained within the Code Administration Code of Practice. The proposal was sent to the Authority on 9th November 2010 and a decision letter approving the proposal was received on 14th December 2010. **CAP185 was implemented on 30th December 2010.**

CAP188 (Governance of Charging Methodologies) - CAP188 proposes to create a new section within the CUSC in which to house the existing Connection and Use of System Charging Methodologies, which would then be subject to CUSC governance and open to change proposals from the industry. The proposal was sent to the Authority on 9th November 2010 and a decision letter approving the proposal was received on 14th December 2010. **CAP188 was implemented on 30th December 2010.**

CAP189 (Standard Gas Insulated Switchgear Ownership Boundaries) - National Grid raised CAP189 in July 2010 following the findings of the joint Grid Code/CUSC Gas Insulated Switchgear Working Group. It seeks to codify two standard ownership boundaries for GIS substations, with a sub-option for a party to build the assets then transfer ownership to the majority site owner. CAP189 was discussed at the July Panel meeting and sent to a Working Group which held its first meeting on 28th September 2010. Potential retrospective application of the new standard ownership boundaries was discussed by the Working Group; **National Grid has drafted illustrative legal text for CAP189 and a second Working Group is being arranged.**

CAP190 (Two-Thirds Majority Voting requirement for CUSC Panel recommendations on Amendments arising from Licence obligations, Authority requests or obligations) - CAP190 proposes that, when the Amendments Panel votes on its final recommendation for an Amendment Proposal which the Licensee has been directed, obliged or required to raise by the Authority, a two-thirds majority vote would be

required to recommend approval. If the two-thirds majority is not reached by the Panel, the Amendment would be automatically recommended for rejection. A like-for-like proposal has been raised under the BSC (P264) and a similar proposal has also been raised under the UNC (0312). The CUSC proposal was presented at the Amendment's Panel on 3rd September where it was agreed to proceed to a Working Group. The first Working Group meeting was held on 23rd September 2010 where it was agreed that external legal advice would be sought regarding the interpretation of the relevant Statutory Instrument for Competition Commission appeals. **The next Working Group was postponed until 27th October 2010 whilst a joint Legal Brief with Elexon was prepared for external legal advice. Advice was sought from a QC with a response sent to ELEXON and National Grid on 25th November. Further to receiving the advice, a joint Working Group teleconference was held on 10th December 2010 to discuss the advice and next steps. A meeting with the QC was then arranged for 17th December 2010 but cancelled due to unforeseen circumstances. It is due to be rearranged for early January 2011.**

Grid Code

The most recent meeting of the **Grid Code Review Panel** was held on 18th November 2010, with an extraordinary GCRP held on 22nd December. The next meeting will take place on 17th February 2011.

Consultation Documents

2010

A/10 (Generator Compliance) - Consultation published on 1st February 2010, responses requested by 18th June 2010. A number of responses received and a review of A/10 is being undertaken to take comments into account. Consequential changes identified within the DCode and CUSC (CAP181) have been put on hold pending review of A/10

B/10 (Record of Inter-system Safety Precautions (RISSP)) - Consultation published on the 2nd February 2010, responses were requested by the 30th March 2010. Five responses have been received; a Report to the Authority is being written by National Grid for submission to the Authority.

C/10 (Electronic Dispatch Logging) - First and final Working Group meeting took place on the 20th August 2010. **Consultation expected to be published in March 2011.**

D/10 (Frequency and Voltage Operating Range) - Consultation published on 4th August with a request for responses by the 2nd September 2010. National Grid are currently drafting the Report to the Authority.

F/10 (Code Governance Review: Environmental Objectives) - Consultation published on 12th October with a request for responses by 12th November 2010. **Six responses were received and National Grid submitted a Report to the Authority on 23rd November. Ofgem approved F/10 and it was implemented on 31st December 2010.**

2009

C/09 (Housekeeping) - Consultation was published on 1st May and responses were received prior to 1st June 2009. Additional housekeeping changes were identified relating to the post go active text for the recently implemented offshore codes. Ofgem have been contacted to clarify their preferred way forward whether to include a single house keeping amendment for pre and post go active or to have the housekeeping issues as two separate Amendments. Ofgem have informed National Grid to keep the two housekeeping issues as two separate Amendments. **National Grid submitted a Report to the Authority on 29th November 2010. The Authority approved C/09 and it was implemented on 31st December 2010.**

F/09 (Extension of OC2 obligations to include interconnector owners) - Consequential Grid Code amendments were required following the raising of BSC modification P243. Consultation was raised in late October and a final Report to the Authority was published on 11th December 2009. The Authority has approved F/09 and suggests that implementation is aligned with BSC modification P243.

Working Groups

Grid Code Requirement for Electronic Communication Facilities between NGET and BM Participants

A paper (C/10) was presented to the May 2010 GCRP panel meeting by NGET proposing changes to the Grid Code to clarify the requirement to install an automatic logging device at the User's Control Point. The Panel agreed for the issue to proceed to Working Group. The Working Group held its first and final meeting during July 2010 and is to submit a Working Group report to the November GCRP meeting.

Grid Code Working Group on PNs from Intermittent Generation

The industry Working Group was established to determine the reporting arrangements for submission of Physical Notifications by Intermittent Generation technologies. The Working Group has looked at definitions and process to develop proposals to amend the Grid Code. The Working Group Report is to be submitted to the November 2010 Panel meeting. **The GCRP agreed for a consultation to be published. This is expected in early 2011.**

Frequency Response Working Group

The BSSG Working Group was established to assess the technical and commercial aspects of frequency response for current and future generation mix and new technologies. The working group is to assess the existing Grid Code obligations for appropriateness for the current environment. At the last Working Group meeting (15th Oct) it was proposed that a technical sub group was established to determine total system requirements for both inertia and response. The sub group held its first meeting on 15th November and aims to conclude their work by the end of Feb 2011.

Reactive Power Working Group

The Working Group is expected to commence work in May 2011, after the conclusion of the Frequency Response joint Working Group.

Frequency & Voltage Operating Range

At the 21st November 2009 GCRP Panel it was agreed a review of Grid Code requirements for Grid Frequency and Voltage Variations should be undertaken as this can have a significant bearing on design of user's plant apparatus. The Objective of the Group was to discuss issues and proposals under scope of work and agree a way forward for possible modification to the Grid Code Connections Conditions on frequency and voltage variations.

National Grid published an industry Consultation in July 2010 which closed on the 2nd September. Five responses were received and a Final Report to the Authority is being produced.

Charging

GB ECM - 19: Largest Loss Frequency Response

National Grid published a consultation on largest loss Frequency Response on the 11th June 2010 responses had been requested by close of play Friday 9th July 2010. On the 5th July a note of clarification was published on the National Grid website to make clear certain aspects of the consultation and to extend the deadline for responses to the 23rd July. On the 5th of July National Grid published the responses to the Consultation followed by a letter to the Authority confirming National Grids decision. National Grid published a letter to the industry indicating that we will not be taking forward this proposal.

GB ECM - 20: Charging for island connections

National Grid published a consultation on the charging arrangements for island connections on 27th November, 2009. The consultation deadline was extended from the 15th to the 29th January, 2010 to accommodate respondents. Responses were subsequently published on the website on 3rd February, 2010 and the conclusions report is currently being drafted. The report is ready to be sent to Ofgem and **CAP188 (Charging into CUSC) implementation means that to further develop this proposal National Grid would need to raise a CUSC proposal.** National Grid are considering how to feed it in with discussions on TransmiT and User Commitment.

GB ECM - 23: Pre-Consultation: Transmission Arrangements for Distributed Generation

National Grid published a pre-consultation on the charging and access arrangements for distributed (embedded) generation 15th January 2010. The consultation closed on 26th February, 2010. On the 2nd March 2010 Industry responses to the Pre Consultation was published on the website, with additional responses added on the 9th March 2010. Presentations from Working meeting 1, 2, 3 and 4 are available on our website. The full consultation has been put on hold whilst Ofgem undertakes a review of charging arrangements (the TransmiT project). National Grid currently has a best endeavours licence obligation to have enduring arrangements in place by 1st April 2011. However given the scope of the TransmiT project, Ofgem published a letter on Monday the 18th October consulting on options and the appropriateness of this obligation. This work is on hold during the initial phase of TransmiT. National Grid has a consultation ready to be published. To take account of the delay Ofgem are consulting on removing our C13 endeavours licence obligation and extending the small generators discount.

GB ECM - 24: Consultation Document: Update to Charging arrangements associated with Offshore Transmission Networks

National Grid published a consultation document on the 16th April 2010 to update the charging arrangements for Offshore Transmission Networks. This includes updates to clarifications of the methodology and its application in line with Modification Proposal GBECM -08 (option 1). On the 24th May 2010 the responses to the consultation were published on the National Grid website. On the 18th June the covering letter and the Conclusions Report sent to the Authority were published on the National Grid website. On Friday the 16th of July Ofgem published their decision not to veto National Grid's proposed modification.

GB ECM - 25: Review of intermitted Generation Charging

National Grid published a consultation document on the 25th June 2010 outlining proposals to modify the charging methodology in order to facilitate associated changes to the current Security and Quality of Supply Standards (SQSS) to cater for the increased wind generation. On the 4th August responses to the Consultations were made available on the National Grid website. **National Grid have considered the responses and have concluded that work on a intermittent only solution to network access charging is likely to be determined as discriminatory. National Grid is now carrying out further work to quantify the impact of varying use of the system for all kinds of plant and will be presenting analysis to the industry and seeking views on how the various determining variables can be efficiently incorporated in to the access and charging framework.**

GB ECM - 26: Review of Interconnector Charging Arrangements

National Grid had published a Consultation document on the 19th July to review the charging arrangements for interconnectors. The closing date for the consultation was the 26th of August several responses had been received. National Grid published the responses to the consultation, along the Conclusions Report and the covering letter to the Authority on the 6th September 2010. On Tuesday, 5th October, Ofgem published their decision not to veto National Grid's proposed modification.

GB ECM - 27: BSUoS Removing End of Scheme Year Reconciliation Process

National Grid published a Consultation document on the 20th August 2010. The Consultation is to review The Statement of Balancing Services Use of System Charging Methodology with view to better meeting the relevant Transmission License objectives. Six responses received, all supportive of the proposals. **National Grid have submitted this proposal to Ofgem and are awaiting a decision.**

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 18th January 2011

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 18th January 2011

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

CA039		OUTAGE PLANNING DEVELOPMENT		
Proposer	National Grid	Submitted	Submitted	Normal
		27/07/10	Priority	
Amendment Description		Current status and progress		
CA039 Outage Planning Development. The amendment proposal seeks to put in place a clause within Section C of the STC to ensure the TO's provide outage planning information for the following financial year and the subsequent year. This will allow NGET to coordinate outage plans for all Transmission Owners further ahead to help reduce constraint costs		CA039 was submitted to the July STC Committee meeting for discussion. The Committee agreed for CA039 to go to Evaluation Stage to develop and approve the legal text. The Evaluation Phase concluded on 21 st September 2010. At the September STC Committee meeting the members approved for CA039 to proceed to Assessment and Report Phase. At the October 2010 STC Committee meeting CA039 was approved to go to industry consultation on 27 th October 2010, for 10 working days. One response to the consultation was received.		

CA041		INCLUSION OF TRANSMISSION OWNER REINFORCEMENT INSTRUCTIONS IN TRANSMISSION OWNER CONSTRUCTION OFFER AND DEFINITION AMENDMENTS		
Proposer	National Grid	Submitted	Submitted	Normal
		28/09/10	Priority	
Amendment Description		Current status and progress		
It is proposed to amend Schedule Eight – 'TO Construction Offer' of the STC such that a Transmission Owner submits to NGET the latest Transmission Owner Reinforcement Instruction (TORI) or confirmation that the current TORI remains unchanged with the Transmission Owner Construction Offer (TOCO).		CA041 was submitted to September STC Committee for discussion. The Committee agreed to feedback comments prior to the next meeting. At November's STC meeting, the Committee agreed for CA041 to proceed to Assessment & Report Phase.		
Submission of the TORI will assist NGET to incorporate the correct information into the relevant User Connection Offer in accordance with the CUSC.				
It is also proposed to amend Section J 'Interpretation and Definitions' within the STC such that a TORI is defined.				

ANNEX 1
STC AMENDMENT REGISTER – AS AT 18th January 2011

CA042		OFFSHORE TRANSMISSION SYSTEM COMPLIANCE & TESTING		
Proposer	National Grid	Submitted 28/09/10	Submitted Priority	Normal
Amendment Description		Current status and progress		
The amendment proposes to amend the STC such that the Offshore Transmission Owner (OFTO) must cooperate and demonstrate to National Grid, compliance of the technical design and operation of its transmission system in accordance with Section K of the STC.		CA042 was submitted to the September STC Committee meeting for discussion. The Committee agreed for CA042 to proceed to Assessment and Report Phase. At the December STC Committee meeting, CA042 was approved to go to industry consultation for 20 working days.		

ANNEX 1

CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP190	Two-Thirds Majority Voting requirement for CUSC Panel recommendations on Amendments arising from Licence obligations, Authority requests or obligations				
Proposer	National Grid	Submitted	03 September 2010	Submitted Priority	Normal

It is proposed that where an Amendment Proposal being presented to the CUSC Panel for a recommendation vote has been raised to comply in full or in part with a Licence change, or following an Authority direction, request or obligation (e.g. potentially from a Significant Code Review (SCR) should this be facilitated under the CUSC), a recommendation to implement that Amendment Proposal by the CUSC Amendments Panel must be based on at least two-thirds of votes cast by those Panel members present being in favour of implementation. Thus if the Panel comprises 7 members plus 1 Consumer Focus representative and 2 National Grid representatives (with one vote) and that all 9 votes are cast, it would take at least 6 votes in favour for the Panel to recommend implementation of such a Proposal. As at present an abstention would not count as a vote cast.

Where the Panel does not have a two thirds majority, even if the votes cast do make any majority, the Panel recommendation will be maintain the status quo and not implement the Amendment. This would also be the case where the Panel reaches no decision, for example where the vote is split 4:4.

CAP190 was presented to CUSC Amendment Panel on 03 September 2010.

The CUSC Amendments Panel agreed that the proposal should go to Working Group and the final report is to be submitted the CUSC Amendments Panel on 25 February 2011 Panel meeting.

The Working Group held its first meeting on 23rd September, where CAP190 Proposal was clarified and potential alternatives were discussed.

BSC Modification group P264 and CAP190 Working Group members held a joint teleconference meeting in October and it was agreed that advice from a QC would be beneficial. The brief has been sent to the QC on 8th November for a period of two weeks.

Draft advice was received from the QC on 25th November 2010 and considered by the group. A meeting with the QC was proposed in order to clarify parts of the advice. A second joint Working Group teleconference was held on 10th December 2010 to discuss the draft advice and to agree a set of questions for the QC. A meeting with the QC was arranged for 17th December 2010. However this was cancelled due to unforeseen circumstances.

A meeting will be rearranged for early January and the Terms of Reference will be updated to reflect the latest developments and agreed at the January CUSC Panel meeting.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP189 Standard Gas Insulated Switchgear Ownership Boundaries

Proposer	National Grid	Submitted	30 July 2010	Submitted Priority	Normal
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CAP189 is raised following a recommendation of the joint Grid Code/ CUSC Gas Insulated Switchgear Working Group, whose report was presented to the May 2010 CUSC Amendments Panel meeting. The Working Group sought to clarify a number of issues identified relating to Gas Insulated Switchgear (GIS) assets. CAP189 specifically seeks to modify the CUSC such that a User requesting a connection to the National Electricity Transmission System, via a GIS substation, will be able to elect one of the following standard ownership boundaries and construction options:

1. Generator Standard Boundary
2. DNO Standard Boundary – User builds all the GIS assets
3. DNO Standard Boundary – User builds their own assets only

The boundary description is intended to reflect the boundary that Generator and DNO Users would typically choose, but the recommendation will allow any User to choose either boundary.

CAP189 was presented to CUSC Amendment Panel on 30 July 2010.

The CUSC Amendments Panel agreed that the proposal should go to Working Group and the final report is to be submitted the CUSC Amendments Panel on 28 January 2011 Panel meeting.

The Working Group held its first meeting on 28th September, where CAP189 Proposal was clarified and the initial legal text was discussed.

A second Working Group is to be arranged pending the draft legal text.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP188 Governance of Charging Methodologies

Proposer	National Grid	Submitted	9 July 2010	Submitted Priority	Normal
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CAP188 seeks to amend the CUSC to create a new Section in which to include the existing Use of System and Connection Charging Methodologies. The methodologies, once they become part of the CUSC, would be subject to the CUSC governance arrangements, and thus be subject to change via the amendment process. In addition, CAP188 seeks to create a new category of "materially affected party" which would be permitted to raise changes to the two Charging Methodologies, in line with the new Licence requirements. Finally, CAP188 would amend the CUSC to reflect the existence of the Transmission Charging Methodologies Forum (TCMF) and to allow the Amendments Panel to take ownership of its terms of reference.

CAP188 requires amendments to Section 8 of the CUSC to introduce the concept of a "Materially Affected Party" and the "Charging Methodologies Forum", as required by the Transmission Licence modifications. In addition, a new Section of the CUSC will be created to house the two existing Charging Methodologies.

CAP188 was presented to CUSC Amendment Panel at a special CUSC amendments Panel meeting on 9 July 2010.

The CUSC Amendments Panel agreed that the proposal should go to Working Group and the final report is to be submitted the CUSC Amendments Panel on 29 October 2010 Panel meeting.

CAP188 Working Group Consultation was published on 4th August 2010 and the closing date for responses was 25th August 2010.

The Working Group Report was presented to the CUSC Panel on 24th September 2010. CAP188 was issued for Company Consultation on 27th September 2010, and closed on 11th October 2010.

The draft Amendment Report was published on 14th October 2010.

The Panel recommendation vote took place on the 29th October 2010 and the Panel voted by a majority of 7 votes to 1 that the original Amendment Proposal best facilitates the Applicable CUSC Objectives overall.

The final Amendment Report was submitted for decision to the Authority on 9th November 2010.

The Authority approved CAP188 on the 14th December 2010 with an implementation date of 30th December 2010.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP187 Code Governance Review: Environmental Assessment and the Relevant Objectives

Proposer	National Grid	Submitted	9 July 2010	Submitted Priority	Normal
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CAP187 is part of a series of proposals raised by Electricity Transmission plc (National Grid) to implement the Final Proposals of the wider Code Governance Review, initiated by Ofgem in November 2007.

CAP187 requires that an evaluation of the quantifiable impact of an Amendment Proposal on greenhouse gas emissions needs to be conducted when preparing and consulting on an Amendment Report, where the impact is likely to be material and in accordance with guidance issued by the authority. Where relevant this evaluation should be undertaken for both original and alternative solutions. When assessing against the Applicable CUSC Objectives, if the Panel considers that the Proposal may have a material impact on greenhouse gas emissions, then the environmental costs and benefits associated with the emissions should be assessed using the latest guidance. Currently the latest guidance is dated July 2010.

CAP187 requires amendments to Section 8 of the CUSC in relation to requiring Working Groups and the Amendments Panel to assess the quantifiable impact of an Amendment Proposal on greenhouse gas emissions, where applicable. The findings would subsequently be included in the Amendment Report and therefore an addition is required in Section 8 to include this provision. The CUSC will also require an addition to incorporate the views of the Proposer on the CUSC Amendment Proposal Form as to whether they believe that their Proposal has an impact on greenhouse gas emissions and, if so, what they believe that impact to be.

CAP187 was presented to CUSC Amendment Panel at a special CUSC amendments Panel meeting on 9 July 2010.

The CUSC Amendments Panel agreed that the proposal should go to Company Consultation and the final report to be submitted the CUSC Amendments Panel on 3 September for the recommendation vote.

The CUSC Panel Vote took place on 3rd September and the Panel voted unanimously in the recommendation to implement CAP187 Amendment Proposal because it better achieved Applicable CUSC Objective (a).

The CUSC Panel agreed for the Final Amendment Report to be sent to the Authority on 17th September 2010 for consideration.

The Authority approved CAP187 on the 19th October 2010 with an implementation date of 2nd November 2010.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP186 Send Back Process

Proposer	National Grid	Submitted	9 July 2010	Submitted	
				Priority	Normal

CAP186 is part of a series of proposals raised by Electricity Transmission plc (National Grid) to implement the Final Proposals of the wider Code Governance Review, initiated by Ofgem in November 2007.

CAP186 enables the Authority to 'Send Back' an Amendment Report to the Amendments Panel in circumstances where the Authority considers that it is unable to form a decision based on the content of the report. The Authority can specify the action that it believes is required in order to make the report complete. CAP186 proposes changes to the CUSC in order to incorporate the following parts of the process:

- i. Following submission of a final Amendment Report to the Authority, the Authority may 'send back' the Report if it is unable to form an opinion for the reasons detailed above and may issue a direction to the panel specifying the steps, revision, analysis or information it requires in order to form an opinion.
- ii. The Panel considers the Authority's direction at its next meeting and makes a decision on the course of action required and the timetable to which it must work to, as agreed by Ofgem.
- iii. The course of action will depend on Ofgem's direction. If the direction is detailed and gives specific steps and timescales, the Panel will follow this and take actions as appropriate. If the direction is not detailed, the Panel will make their own recommendations in terms of the next steps and timescales.

Once the necessary changes have been made to the Report, the Panel will retake the Panel Recommendation Vote and the Report will be re-submitted to the Authority. It is judged that this process will provide an effective safeguard against the Authority being placed in a position where it is unable to approve a proposal due to deficiencies in the report, such as an insufficient assessment or inaccurate legal text.

CAP186 requires amendments to Section 8 of the CUSC in relation to adding in the 'Send Back' process.

CAP186 was presented to CUSC Amendment Panel at a special CUSC amendments Panel meeting on 9 July 2010.

The CUSC Amendments Panel agreed that the proposal should go to Company Consultation and the final report to be submitted the CUSC Amendments Panel on 3 September for the recommendation vote.

The CUSC Panel Vote took place on 3rd September and the Panel voted with a 6-3 majority to recommend implementation of the CAP186 Amendment Proposal because it better achieved Applicable CUSC Objective (a).

The CUSC Panel agreed for the Final Amendment Report to be sent to the Authority on 17th September 2010 for consideration.

The Authority approved CAP186 on the 19th October 2010 with an implementation date of 2nd November 2010.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP185 Role of Code Administrator and Code Administration Code of Practice

Proposer	National Grid	Submitted	30 July 2010	Submitted Priority	Normal
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CAP185 - "Code Governance Review: Role of Code Administrator and Code Administration Code of Practice", was raised by National Grid Electricity Transmission plc and submitted to a special meeting of the Amendments Panel on 9th July 2010. CAP185 is part of a series of proposals which seek to implement the final proposals of Ofgem's Code Governance Review which were published on 31st March 2010 and which were implemented via a series of modifications to the Transmission and Distribution Licences from 5th July 2010.

CAP185 seeks to make several changes to the CUSC, including the requirement to establish an administrative body (the "Code Administrator") and for the Code Administrator to maintain, publish, review and amend the Code Administration Code of Practice (CACOP). This Amendment Proposal is described in more detail in section 3 of this report.

CAP185 was presented to CUSC Amendment Panel at a special CUSC amendments Panel meeting on 9 July 2010.

The CUSC Amendments Panel agreed that the proposal should go to Company Consultation and the final report to be submitted the CUSC Amendments Panel on 29 October 2010.

CAP185 Working Group Consultation was published on 4th August 2010 and the closing date for responses was 25th August 2010.

The Working Group Report was presented to the CUSC Panel on 24th September 2010. CAP185 was issued for Company Consultation on 27th September 2010, and closed on 11th October 2010.

The draft Amendment Report was published on 14th October 2010.

The Panel recommendation vote took place on the 29th October 2010 and the Panel voted by a majority of 6 votes to 2 that the original Amendment Proposal best facilitates the Applicable CUSC Objectives (a). For Applicable CUSC Objective (b) the Panel members all voted that they were Neutral.

The final Amendment Report was submitted for decision to the Authority on 9th November 2010.

The Authority approved CAP185 on the 14th December 2010 with an implementation date of 30th December 2010.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP184 Self Governance Review

Proposer	National Grid	Submitted	30 July 2010	Submitted Priority	Normal
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CAP184 – “Code Governance Review: Self-governance” was raised by National Grid Electricity Transmission plc and submitted to a special meeting of the Amendments Panel on 9th July 2010. CAP184 is part of a series of proposals which seek to implement the final proposals of Ofgem's Code Governance Review which were published on 31st March 2010 and which were implemented via a series of modifications to the Transmission and Distribution Licences from 5th July 2010. CAP184 seeks to implement Self-governance within the CUSC as an alternative route for implementation of Amendment Proposals. Where it is determined that an Amendment Proposal will not have a material impact in line with the criteria set out in the transmission licence, the Self-governance route would expedite the process of implementing an Amendment Proposal by not requiring the Authority to decide on that proposal, instead leaving the decision to the Panel

CAP184 was presented to CUSC Amendment Panel at a special CUSC amendments Panel meeting on 9 July 2010.

The CUSC Amendments Panel agreed that the proposal should go to Working Group and the final report is to be submitted to the CUSC Amendments Panel on 29 October 2010.

CAP184 Working Group Consultation was published on 4th August 2010 and the closing date for responses was 25th August 2010.

The Working Group Report was presented to the CUSC Panel on 24th September 2010. CAP184 was issued for Company Consultation on 27th September 2010, and closed on 11th October 2010.

The draft Amendment Report was published on 14th October 2010.

The Panel recommendation vote took place on the 29th October 2010 and the Panel voted unanimously that the original Amendment Proposal best facilitates the Applicable CUSC Objectives (a). For Applicable CUSC Objective (b) the Panel members all voted that they were Neutral.

The final Amendment Report was submitted for decision to the Authority on 9th November 2010.

The Authority approved CAP184 on the 14th December 2010 with an implementation date of 30th December 2010.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP183 Significant Code Review

Proposer

National Grid

Submitted

**Submitted
Priority**

Normal

CAP183 – “Code Governance Review: Significant Code Review” was raised by National Grid Electricity Transmission plc and submitted to a special meeting of the Amendments Panel on 9th July 2010. CAP183 is part of a series of proposals which seek to implement the final proposals of Ofgem's Code Governance Review which were published on 31st March 2010 and which were implemented via a series of modifications to the Transmission and Distribution Licences from 5th July 2010. CAP183 seeks to insert provisions into the CUSC to require the Licence holder to raise code changes in line with the conclusions set out by the Authority following a Significant Code Review (SCR). Only the Authority can raise an SCR, to address matters which they deem to have significant impacts to the industry.

The Significant Code Review process seeks to require certain licence holders to raise code modifications in line with the conclusions set out by the Authority following an SCR. The SCR will allow the Authority to initiate a review of one or more matters which they consider to:

- Have significant impacts on electricity consumers or competition
- Have significant impacts on the environment, security of supply or sustainable development
- Create significant cross code or cross licence issues
- Have a significant impact on the Authority's principle objective (under Section 3A of the Act), statutory functions or relevant obligations bound by EU law.

CAP183 was presented to CUSC Amendment Panel at a special CUSC amendments Panel meeting on 9 July 2010.

The CUSC Amendments Panel agreed that the proposal should go to Working Group and the final report is to be submitted to the CUSC Amendments Panel on 29 October 2010

CAP183 Working Group Consultation was published on 4th August 2010 and the closing date for responses was 25th August 2010.

The Working Group Report was presented to the CUSC Panel on 24th September 2010. CAP183 was issued for Company Consultation on 27th September 2010, and closed on 11th October 2010.

The draft Amendment Report was published on 14th October 2010.

The Panel recommendation vote took place on the 29th October 2010 and the Panel voted by a majority of 5 votes to 3 that the original Amendment Proposal best facilitates the Applicable CUSC Objectives (a). For Applicable CUSC Objective (b) the majority voted that they were Neutral.

The final Amendment Report was submitted for decision to the Authority on 9th November 2010.

The Authority approved CAP183 on the 14th December 2010 with an implementation date of 30th December 2010.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP182 Provision of Frequency response from Direct Current Converters - WITHDRAWN

Proposer	National Grid	Submitted	13/05/10	Submitted Priority	Normal
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Grid Code modification H/04 – Changes to Incorporate New Generation Technologies and DC Interconnectors (Generic Provisions), approved by the Authority on 23rd November 2005, obligates Direct Current (DC) Converters completed after 1st April 2005 to meet certain requirements under the Grid Code; this includes the capability to provide the mandatory ancillary service of frequency response. The first DC Converter affected by this change (known as BritNed – a DC interconnector between GB and the Netherlands) is due to connect to the National Electricity Transmission System towards the end of 2010.

A review of the suitability of the current CUSC arrangements, undertaken in 2009/10 by the Interconnector Frequency Response Working Group, concluded that a number of changes were required to facilitate the provision and settlement of the mandatory ancillary service of frequency response from DC converters.

There are a number of references to apparatus providing the frequency response service within Section 4 of the CUSC; however, these references do not currently include DC Converters. Hence this Amendment Proposal seeks to include DC Converters into all relevant references within the CUSC Section 4 and the Mandatory Service Agreement (Schedule 2 - Exhibit 4) to ensure that there are equitable arrangements with all providers of frequency response

CAP182 was presented to the CUSC Amendments Panel on 21 May 2010. The CUSC Amendments Panel agreed CAP182 to proceed to Working Group, with a view to being presented to the CUSC Amendments Panel on 24 September 2010.

The Working Group consultation closed on 5 August 2010. A delay of two months was agreed at the 03 September 2010 Panel to allow information from DECC to develop from the impact of changes for interconnectors.

At CUSC Amendments Panel on the 26 November 2010, the Panel noted that the proposer had withdrawn their support for CAP182.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP181 Consequential changes related to Grid Code Amendment A/10 (Compliance)

Proposer	National Grid	Submitted	26/02/10	Submitted Priority	Normal
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CAP181 is raised as a consequential change to Grid Code Consultation proposal A/10, published on 1st February 2010. A/10 seeks to formalise a compliance process within the Grid Code for all new generators and Direct Current converter stations (DCCS) to improve consistency and visibility of the existing processes. The Grid Code Compliance Working Group identified consequential changes to a number of industry codes, including the CUSC, Distribution Connection and Use of System Agreement (DCUSA) and the Distribution Code.

If implemented, without consequential changes to the CUSC and DCUSA also being made, A/10 would leave National Grid and Licence Exemptible Embedded Medium Power Stations (LEEMPS) and DCCS with potentially unlimited liabilities to each other. CAP181 seeks to amend the CUSC to ensure that the existing industry position on limiting liabilities is retained. The specific changes required are:

- a) CUSC Parties, including National Grid, would waive the right to claim directly against a LEEMPS or DCCS for breach of the Distribution Code;
- b) CUSC Parties would instead pursue a claim against the Distribution Network Operator to whose system the LEEMPS is connected, who in turn would claim against the LEEMPS or DCCS for physical damages under the DCUSA.
- c) Any claim by CUSC Parties would be limited to a maximum of £1 million, in line with the terms of the DCUSA (in force at the date of raising this Amendment Proposal).

CAP181 was presented to the CUSC Amendments Panel on 26 February 2010. The CUSC Amendments Panel agreed CAP181 to proceed to Working Group, with a view to being presented to the CUSC Amendments Panel on 25 June 2010.

The Working Group consultation was published on 23 June 2010 with a closing date of 7 July. Six consultation responses were received.

At the CUSC Amendment Panel meeting on 30 July 2010, National Grid explained that CAP181 is a proposed consequential change to the CUSC as result of Grid Code Amendment A/10 which is currently being reviewed in light of responses received to the consultation.

The CUSC Amendments Panel agreed to put this on hold and update at October CUSC Amendments Panel meeting due to a second consultation being proposed for the Grid code Amendment.

CAP181 was presented to CUSC Amendment Panel on 26 February 2010. The Amendments Panel agreed for CAP181 to proceed to Working Group stage.

The CUSC Amendments Panel agreed to put this on hold and update at November CUSC Amendments Panel meeting due to a second consultation being proposed for the Grid code Amendment.

The Panel noted that National Grid may withdraw CAP181 as it may no longer be required.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP179 Prevention of “Timing Out” of Authority decisions on Amendment Proposals

Proposer National Grid

Submitted 29/01/10

**Submitted
Priority** Normal

Amendment Description

This Amendment Proposal seeks to remove the potential for an Authority decision on an Amendment Proposal to "time out". "Timing out" occurred within the industry in 2007 when the Authority was unable to provide its decision on BSC Modification Proposals P198, P200, P203 and P204 before the final date allotted for such a decision in the Final Modification Report. A subsequent Judicial Review ruled that when the Authority did not make its decision by the latest date included in the Final Modification Reports, it lost the ability to make any decision on those Proposals.

This Amendment Proposal seeks to address three issues:

- 1) "Timing Out" of Authority decisions on Amendment Proposals.
The result of "timing out" is to cause uncertainty among the industry as to the future of an Amendment Proposal, as well as the timescales surrounding that proposal.
- 2) Concerns over timely decision making.
This seeks to formalise the process of the Panel writing to the Authority to request likely decision dates.
- 3) Ongoing validity of industry analysis supporting a Panel recommendation. This provides a mechanism for the Panel to consult industry participants on time-related concerns which could include the validity of analysis where a period of time has passed since its completion.

Current status and progress

CAP179 was presented to the Amendments Panel on 29th January 2010. The Amendments Panel agreed for CAP179 to proceed to working Group with a view to being presented at the Amendments Panel meeting on 30th April 2010.

The CUSC Amendments Panel were informed at the 26th February meeting that the proposed meeting date of 2nd March 2010 would need to be cancelled due to lack of availability of Working Group members. An alternative date is being considered.

Two Working Group meetings have taken place. Six responses were received to the Working Group consultation.

A second Working Group consultation has been published on the 27th September 2010.

The Company Consultation was published on the 1st November 2010 and closed on 15th November.

The Panel recommendation vote took place on 26 November 2010 and the Panel agreed with an 8 to 1 majority that CAP179 should not be implemented.

The final Amendment Report was submitted to the Authority on 13th December 2010.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP170 CAP170 - Category 5 System to Generator Operational Intertripping Scheme

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 for the proposal to go straight to company consultation.

Recommendation Vote for CAP170 took place on 23rd March 2009, with the following outcome: No – Majority (7 No, 1 Yes). Final Amendment Report was submitted to the Authority on 25th March 2009.

CAP170 is currently with the Authority for consideration. Ofgem conducted a regulatory impact assessment on CAP170 responses which closed on 2nd July 2009. A second regulatory impact assessment closed on 25th August 2009.

The Authority has issued a third Impact Assessment on CAP170, focussing on competition issues. The consultation closes on 23 February 2010.

On the 5th November the Authority rejected CAP170.

ANNEX 1
CUSC MODIFICATION REGISTER – as at 31 December 2010

CAP168

Transmission Access Under-use and reallocation of TEC

Proposer ConocoPhillips

Submitted 27/02/09

Submitted
Priority Urgent

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.

CAP168 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

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.
- CAP167 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

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.
- CAP166 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

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.
- CAP165 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

CAP164**Transmission Access – Connect and Manage****Proposer**

National Grid

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.
- CAP164 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

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/workingstandings/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.
- CAP163 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

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.
- CAP162 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

CAP161**Transmission Access – System Operator Release of Short-term Entry Rights**

Proposer	National Grid	Submitted	25/04/08	Submitted Priority	Normal
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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.
- CAP161 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.

CAP148**Deemed Access Rights to the GB Transmission System for Renewable Generators**

Proposer	Wind Energy (Forse) Limited	Submitted	19/04/07	Submitted Priority	Normal
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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 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.
- CAP148 was rejected by the Authority for the main reason that the implementation of Connect and Manage by the Secretary of State had significantly changed the baseline from which the Amendment was compared against the CUSC and therefore it was difficult to assess whether the Panel and the industry participants would have made the same recommendations under the new baseline.