

Codes Summary - September 2011

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

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; The legal text has been drafted and a Workgroup meeting took place on 14th February 2011. The Workgroup consultation was issued on 18th March and closed on 8th April 2011. A further Workgroup was held a meeting on 14th April 2011. The CUSC Panel accepted the Workgroup Report at the meeting on 27th May 2011 and agreed for CAP189 to progress to the Code Administrator consultation for 3 weeks. The CUSC Panel vote took place on 29th July 2011 and the CUSC Panel voted unanimously that CAP189 did not better facilitate the Applicable CUSC Objectives and should not be implemented. However, the CUSC Panel did recognise the intent of CAP189 did better facilitate the Applicable objectives but a defect in the legal text meant that it could not be rectified in the stage in the process. The Panel noted that the Authority could use the "send back" process to resolve the legal text if they felt it was appropriate. **On the 18th August 2011, Ofgem "sent back" the CUSC Final Modification Report in order to allow changes to be made to the legal text. A second Code administrator Consultation was issued on 14th October 2011.**

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. Similar proposals have been raised under the BSC (P264) and 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. A meeting with a QC took place on 21st January 2011 to discuss the legal advice. A joint Workgroup meeting with CAP190/P264 members was held on 26th January 2011 during which the Proposer requested to put CAP190 on hold pending investigation into changing the Statutory Instrument. The CUSC Modifications Panel agreed for CAP190 to be put on hold for one month pending advice received from DECC regarding further clarification for the Statutory Instrument. A letter was sent to DECC on 21st February 2011 in order to investigate the possibility of changing the Statutory Instrument, following legal advice received from the QC. The CUSC Panel was provided with an update on 25th February 2011. DECC response dated 16th March to the CAP190 Chair confirmed that they are unable to make a formal consideration at this stage, due to busy Parliamentary timetable, and have therefore asked the Workgroup to consider another approach. The CUSC Panel agreed for CAP190 to be placed on hold until CMP196 is being progressed. The CUSC Panel agreed a 4 month extension to CAP190. CMP196 was progressed which addressed the issue raised in CAP190 relating to 'recommendations' in the CUSC Modification Report. At the July 2011 CUSC Panel, in light of the like-for-like BSC and UNC proposals being rejected by the Authority, the Panel agreed by majority that the CAP190 Workgroup should not be extended further. The Proposer chose not to withdraw CAP190 and subsequently the Workgroup Report will be presented to the CUSC Panel in August with the intention of it proceeding to Code Administrator Consultation. **The CUSC Panel accepted the Workgroup Report and agreed that CAP190 to progress to the Code Administrator Consultation for three weeks.**

CMP191 (NETSO Consultation in relation to any potential changes to the CUSC which takes place in forums other than the CUSC Modifications Panel) – CMP191 was proposed by SSE Generation Ltd on 14th February 2011. It proposes to create an obligation on National Grid, in its role as GBSO,

through the CUSC in order that signatories to the CUSC are consulted on any changes which may occur as a result of activity or discussion which takes place in forums other than the CUSC Panel. This is in particular relation to the development of the European Network Codes which NGET helps develop through its role as a TSO as part of the European Network for Transmission System Operators (ENTSO-e). CMP191 was presented to CUSC Modifications Panel on 25 February 2011 where it was agreed that it should progress through a Workgroup, which was established as a joint group with both the Grid Code and the BSC. Two Workgroup meetings were held in March, at which the Workgroup started drafting Terms of Reference for a cross-code European Standing Group to include members covering the BSC, CUSC and Grid Code, with attendance invited from Ofgem and DECC, to share GB views on the European Network Codes under development. Four joint Workgroup meetings between the CUSC/BSC and Grid Code have taken place. The CUSC Modifications Panel agreed to a one month extension for CMP191 timetable to allow for an additional Workgroup meeting to take place. The Workgroup Report was presented at the July 2011 CUSC Panel meeting and the CUSC Panel agreed for CMP191 to proceed to Code Administrator consultation. **CMP191 is progressing within the agreed timetable.**

CMP192 (Arrangements for Enduring Generation for User Commitment) – CMP192 seeks to add a new section to the CUSC defining the Principles of User Commitment as they pertain to electricity generators and will detail the methodology that will be used to determine individual generator's liabilities and the level of securities required. It was presented to the CUSC Panel in February where it was agreed to proceed to a Workgroup. The Panel agreed to a one month extension for CMP192 to allow for 2 additional Workgroup meetings to take place. A further 1 month extension was then requested and agreed by the Panel with no objection from Ofgem to allow for further meetings and a longer consultation period. **A further two Workgroup meetings will take place to finalise the Alternatives and vote therefore the Workgroup Report will be presented at a "Special" CUSC Panel meeting on 11th November 2011 in order for the CMP192 Final CUSC Modification Report to be sent the Authority on 22nd November 2011.**

CMP195 (Code Governance Review post implementation clarifications) - CMP195 was proposed by National Grid and seeks to make a number of changes to Sections 8 and 11 of the CUSC to better clarify the provisions for the procedures implemented as part of Ofgem's Code Governance Review in 2010. In particular, it seeks to address an extensive list of comments sent from Ofgem in October 2010 which raised a number of concerns regarding the legal text for the Code Governance Review modifications. CMP195 was presented to the CUSC Modifications Panel on 25th March 2011. The CUSC Modifications Panel agreed that CMP195 should follow the Standard CUSC Modifications process via a Workgroup and to present the Workgroup Report on the 29th July 2011 CUSC Modifications Panel meeting. The Workgroup Consultation was published on 10th June 2011 with a closing date of 1st July 2011. There was a slight delay to the original planned publication date due to the Workgroup discussing further comments sent by Ofgem on 25th May 2011. An extra teleconference was held on 7th June 2011. The Workgroup Report was presented to the CUSC Panel on 29th July 2011 and the CUSC Panel agreed that CMP195 should proceed to the Code Administrator Consultation. **CMP195 is progressing within the agreed timetable.**

CMP196 (Revisions to "recommendations" in the final CUSC Modification Report) - CMP196 was raised as a result of CAP190 and seeks to amend the CUSC to replace all references to "recommendations" in the CUSC Modification Report with the exception of that which refers to the recommendation of the CUSC Modifications Panel. The aim of this is to narrow the interpretation of the meaning of 'majority recommendation' in the Statutory Instrument, as currently 'majority recommendation' is defined as "a recommendation that is supported by the majority of those views of Panel Members which, in the reasonable opinion of GEMA, are clearly expressed in the Amendment Report." The SI prevents an appeal being made where GEMA's decision on a proposal consists in the "giving of consent to a majority recommendation". CMP196 will therefore remove a potential barrier to the right of appeal to the Competition Commission by having one clear Panel recommendation in the final Modification Report submitted to the Authority. CMP196 was presented to the CUSC Modification Panel on 25th March. The CUSC Modifications Panel agreed that CMP196 should follow the Standard CUSC Modifications process via a Workgroup and to present the Workgroup Report on the 27th May 2011 CUSC Modifications Panel meeting. Ofgem proposed revisions to the legal text that has originally been consulted on. The Workgroup agreed that a further Workgroup Consultation (2) would need to be held to reflect the revised legal text. The CUSC Modification Panel agreed a month's extension to the Workgroup timetable to allow the report to be presented at the June CUSC Panel meeting. The Workgroup report was presented at the CUSC Panel meeting on 24th June 2011 and the Panel agreed for CMP196 to proceed to the Code Administrator consultation. **CMP196 was submitted to the Authority on 10th August for decision.**

CMP197 (Amendment to Qualifying Guarantor) - CMP197 was raised by Opus Energy Ltd and seeks to allow companies who do not meet the current Approved Credit Rating criteria to provide guarantees. This will remove discrimination towards smaller parties who are typically not large enough to

establish an Approved Credit Rating and have to use other methods. CMP197 was presented to the CUSC Modifications Panel on 6th May. The CUSC Modifications Panel agreed that CMP197 should follow the Standard CUSC Modifications process via a Workgroup. Two Workgroup meetings have been held and the Workgroup Report was presented at the CUSC Panel meeting on 26th August 2011. The Panel agreed for CMP197 to proceed to the Code Administrator consultation.

CMP198 (Proposer Ownership of CUSC Modification Proposals) - CMP198 allows the Proposer to change their proposal by giving notice to the Chair of the Workgroup up to the point of the Workgroup Vote, prior to the CA Consultation. If the Proposer has not given notice of their intent to vary the proposal, the Chair of the Workgroup at the point of the Workgroup vote will give the Proposer a final opportunity to vary the proposal. CMP198 was presented to CUSC Modifications Panel on 27th May 2011. The CUSC Modifications Panel agreed that CMP198 should follow the Standard CUSC Modifications process via a Workgroup. The CMP198 Workgroup Report was due to be presented to the 29th September CUSC Modifications Panel meeting to allow for the legal text drafting, and 1 extra Workgroup meeting to take place. This delay still stands within the 4 month Workgroup process.

CMP199 (Reactive Despatch Network Restrictions) – CMP199 is a consequential change from Grid Code Modification E/11 (Reactive Despatch Network Restrictions) which introduces a new definition of a “Reactive Despatch to Zero MVAR Network Restriction” to allow National Grid to despatch such restricted generators providing they can provide zero MVAR. This CUSC Modification Proposal aligns the CUSC with the Grid Code to allow payments to generators which have a reactive despatch restriction in place whereby they will be paid accordingly if have been despatched by National Grid. CMP199 was presented to CUSC Modifications Panel on 26th August 2011 who agreed that the modification should be progressed directly to Code Administrator Consultation and the CUSC Modification Report to be presented to the October panel.

Grid Code

The most recent meeting of the **Grid Code Review Panel** was held on 22nd September 2011. The next GCRP will take place on 17th November 2011.

Consultations & Reports to the Authority

2011

B/11 (Provisions for Electronic Communication of System Warnings)

Changes to the Grid Code are proposed in relation to the notification and delivery of National Electricity Transmission System Warning messages to Users. This is currently achieved via a combination of telephone and facsimile notification. To provide the necessary flexibility to allow for the use of electronic communication of National Electricity Transmission System Warning messages, it is proposed that specific Grid Code OC7 requirements for notification of National Electricity Transmission System Warnings via fax are removed. This Industry Consultation was published on 27th May 2011 and five responses were received. A report was submitted to the Authority for a decision on 20th September 2011.

C/11 (BM Unit Data from Intermittent Generation)

C/11 proposes to amend the definitions of Output Useable (OU) and Physical Notification (PN) within the Grid Code, along with changes to the obligation to follow PNs. The objective of these changes is to improve clarity with regard to data provided by Generating Units powered by Intermittent Power Sources. This Industry Consultation was published on 18th May 2011 with responses requested by 16th June 2011. Six responses were received and National Grid is currently drafting a Report to the Authority. An additional Working Group meeting has been agreed by the GCRP and is being arranged for November 2011.

D/11 (System to Generator Operational Intertripping Schemes)

Following the conclusion of a previous Grid Code Amendment, F/08, relating to the technical requirements that form part of a system to generator operational intertripping scheme, National Grid was asked by the Authority to review the intertripping scheme descriptions in the Grid Code. It is proposed within this Consultation to amend the definition of “System to Generator Intertripping” so

that scheme which use the Relevant Transmission Owner's circuit breaker are included, where all relevant parties have agreed this solution. This Industry Consultation was published on 20th May 2011 and four responses were received. **The responses have been considered and a consequential change to the CUSC will be raised by National Grid.**

E/11 (Reactive Despatch Network Restrictions)

The implementation of CAP169 Working Group Alternative Amendment 3, and its consequential Grid Code modification E/09, prohibited National Grid from instructing embedded generators which are under a network restriction, to provide reactive services. This had the effect of preventing National Grid from despatching those generators whose reactive capability range was only marginally less than the obligations specified in the Grid Code. This Modification Proposal seeks to limit the impact of the network restriction on embedded generators by only excluding those generators which cannot be despatched to zero MVar (unity power factor). For network restricted generators who can achieve unity power factor, these will continue to be remunerated in proportion to their metered MVar output. **The Authority approved this Modification on 10th October 2011. The implementation will be aligned with the consequential CUSC Modification CMP199 which, if the Authority approves the Modification, will be December 2011.**

2010

A/10 (Generator Compliance)

The original Consultation was published in 2010 and a significant number of revisions made to the proposals as a result. Consequently, a Further Consultation for A/10 was published in February 2011 which closed on 8th April 2011 with ten responses which, in general, supported the proposals in their new form. **The Final Authority Report has been submitted and Ofgem have provided comments on the Report which National Grid is now addressing.**

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

Currently the requirement to install an automatic logging device is linked to a User's participation in the Balancing Mechanism. There is no clear requirement to have an automatic logging device installed for the dispatch of balancing services which results in an inefficient approach of despatch by telephone. This modification aims to clarify the requirement to install an automatic logging device. The Industry Consultation closed on 18th July 2011 and three responses were received. **The Authority approved the Modification on 8th September 2011 and it was implemented on 23rd September 2011.**

Working Groups

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 2010 and aims to conclude their work by the end of Feb 2011. A meeting to explore one of the three frequency response market options was held on 4th March 2011 **and a further meeting to discuss options 2 and 3 was held on 12th September 2011. The Working Group is due to report to the January 2012 CUSC and Grid Code Review Panels.**

Reactive Power Working Group

The Working Group is expected to commence after the conclusion of the Frequency Response joint Working Group (late 2011).

Grid Code Signatories Consultation Working Group

At the February 2011 GCRP, a paper was raised proposing to obligate National Grid to consult with Grid Code parties about any developments within Europe regarding development of the European Network Codes (ENCs). Similar proposals were raised for the BSC and CUSC, and this will progress forward, initially, as a joint BSC, CUSC, Grid Code working group. **The GCRP has reviewed the Joint Workgroup Report and agreed for it to progress to an Industry Consultation. This is due to be published in October 2011.**

Maintenance Standards (CC.7.7)

The scope of this group is limited to a review of Grid Code obligation CC.7.7 and Maintenance Standards. The Working Group would be tasked with assessing the current industry codes associated with the notification of Scottish and Offshore generators and Scottish Distribution Network Operators in relation to changes of system fault levels. The intention is to afford these Users with a similar notification and protection as given to Users connected in England and Wales. **The first meeting took place on the 13th September 2011 with a further meeting scheduled for 31st October 2011.**

BMU Configurations Offshore

This purpose of this group is to look at development of standard BMU Configuration diagrams for offshore Power Park Modules. The Working Group will assess the current industry code requirements for the relevant reporting of such data, determine what the System Operator requires and consequently develop code modifications for the provision of such information. **The first meeting took place on 8th September 2011 with a further meeting scheduled for 18th October 2011.**

Electricity Balancing System Group (EBSG)

The scope of this group is limited to that of the Electricity Balancing System, and the Balancing Mechanism and Ancillary Services data and instructions that it will support. The group will consider the changes requested by the industry in response to National Grid's consultations and also any changes that are offered as part of the standard vendor system. The first meeting is due to place in August 2011.

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 17th October 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