

Codes Summary - May 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 Panel will vote on CAP189 at its meeting on 29th July 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. It is due to be rearranged for early January 2011. 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 and a response is expected from DECC mid-March. 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.

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. 2 further meetings were held in April and May and the Workgroup Consultation is due to be published on 6th June 2011.

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. 7 Workgroup meetings have been held so far with 2 further meetings scheduled for June. Due to the complexity of the subject the timetable was extended by 1 month to allow for extra Workgroup meetings. A further extension of another month was agreed at the May CUSC Panel and is currently being discussed with Ofgem to allow for longer consultation periods and a further Workgroup meeting. Currently the Workgroup Report is due to be presented to the Panel in August, however, if the further extension is approved, it will roll over to the September Panel and the final Modification Report will be sent to Ofgem on 8th November 2011.

CMP193 (Housekeeping modification to Section 14 of the Connection and Use of System Code) – National Grid raised CMP193, following the implementation of CUSC Amendment Proposal 188 to bring the Charging Methodologies under the CUSC. As a result of CAP188, Section 14 of the CUSC was created containing the Statement of Use of System Charging Methodology and the Statement of Connection Charging Methodology. This was achieved without amendment to the content of the Methodology statements, and it was recognised that there was a further requirement to review the Methodology Statements to ensure consistency with the CUSC. CMP193 seeks to make a number of non-material changes to Section 14 of the CUSC to better incorporate the Charging Methodology Statements into the main body of the CUSC. This includes consequential non-material changes to Section 11 of the CUSC to incorporate definitions previously described in Section 14. CMP193 was presented to CUSC Modifications Panel on 25th March 2011. The CUSC Modifications Panel agreed that CMP193 should follow the Self governance route as it did not contain any material changes and met the Self – governance criteria. The CUSC Modifications Panel agreed for CMP193 to proceed straight to Company consultation. The Code Administrator Report will be presented on the 27th May 2011 for the CUSC Panel vote.

CMP194 (Housekeeping modifications to Section 11 of the Connection and Use of System Code) – National Grid raised CMP194, following the implementation of CUSC Amendment Proposal 188 to bring the Charging Methodologies under the CUSC. As a result of CAP188, Section 14 of the CUSC was created containing the Statement of Use of System Charging Methodology and the Statement of Connection Charging Methodology. This was achieved without amendment to the content of the Methodology statements, and it was recognised that there was a further requirement to review the Methodology Statements to ensure consistency with the CUSC. This includes a separate listing of definitions within Section 14, which it is proposed to incorporate fully within Section 11. As a consequence of the incorporation of the Charging Methodology Statements into Section 14 of the CUSC, this proposal seeks to make non-material changes to Section 11 of the CUSC to incorporate definitions previously described in Section 14. CMP194 was presented to CUSC Modifications Panel on 25th March 2011. The CUSC Modifications Panel agreed that CMP194 should follow the Self governance route as it did not contain any material changes and met the Self – governance criteria. The CUSC Modifications Panel agreed for CMP194 to proceed straight to Company consultation. The Code Administrator Report will be presented on the 27th May 2011 for the CUSC Panel vote.

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. A Workgroup meeting was held on 5th May 2011 and a further meeting is planned for early June. The Workgroup Report is due to be presented to the July CUSC Panel.

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 Workgroup Consultation was issued on 8th April 2011 for a 3 week consultation and following some changes that were made to the legal text in response to some concerns highlighted, a second consultation was published and a Workgroup meeting to discuss the responses is planned for 3 June 2011, with the Workgroup Report due to be submitted to the June CUSC Panel.

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 and the first Workgroup meeting was held on 24th May 2011. The next Workgroup meeting is scheduled for 9th June 2011 prior to issue of the Workgroup consultation.

Grid Code

The most recent meeting of the **Grid Code Review Panel** was held on 19th May 2011. The next GCRP will take place on 7th July 2011.

Consultations & Reports to the Authority

2011

A/11 (Black Start: Amendments to Grid Code resulting from BSC modification P231)

Following BSC modification P231 which aimed to improve transparency of arrangements and obligations associated with a Black Start or Fuel Security Code (FSC) event within the BSC, several recommendations were made to review OC9.4 of Grid Code and make the necessary changes to align it with the BSC. This Industry Consultation was published on 1st April 2011 with responses requested by 6th May 2011. Three responses were received and National Grid are currently drafting a Report to the Authority.

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 with responses requested by 27th June 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 are currently drafting a Report to the Authority.

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 with responses requested by 20th June 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. National Grid are currently drafting a Report to the Authority.

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)

This Industry Consultation was published on 20th June 2011 with responses requested by 18th July 2011.

D/10 (Frequency and Voltage Operating Range)

The Industry Consultation was published on 4th August 2010 with a responses requested by 2nd September 2010. Six responses were received and National Grid submitted a Report to the Authority on 27th May 2011 for a decision.

2009

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 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. First Working Group meeting took place on the 20th August 2010 with a second on 29th March 2011. A Working Group report was submitted to the May GCRP where it was agreed to progress to Industry Consultation.

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 July 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 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 will be held in summer 2011.

Reactive Power Working Group

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

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 most recent meeting was held on 20th May 2011. The Joint Workgroup Consultation is currently out till 28th June 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 is due to place in July/August 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 is due to place in July/August 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 July/August 2011.

AMALGAMATED ELECTRICITY CODES AMENDMENT REPORT

As at 21st June 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