Codes Summary - April 2013

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

CMP201 (Removal of BSUoS Charges from Generators) - CMP201 seeks to align GB market arrangements with those prevalent within other EU member states. This will deliver more effective competition and trade across the EU and so deliver benefits to all end consumers. It is proposed that Balancing Services Use of System (BSUoS) charges, which are currently charged to all liable CUSC parties on a non locational MWh basis, are removed from GB generators. This will effectively align the GB 'generation stack' with those in other EU markets, thus facilitate equitable competition with generation in other EU markets which are not subject to such charges. CMP201 was presented to CUSC Modifications Panel on 16th December 2011 who agreed that CMP201 should follow the Standard CUSC Modifications process via a Workgroup and present the Workgroup report back to the Panel in April 2012. It was agreed at the CUSC Panel meeting on 24th February 2012 that a one month's extension is granted to the original timetable to allow for the Workgroup to carry out further work on the Workgroup consultation and also to allow for a longer consultation period. It was agreed at the CUSC Panel meeting on 27th April 2012 to extend the CMP201 by another month to allow for further analysis to be carried out. Upon identifying an error in one of the calculations contained with the final Workgroup Report, National Grid requested that the Panel reject the Report at their June 2012 Panel meeting in order to rectify the error and liaise with the Workgroup and Ofgem. The error has been corrected and the changes discussed and agreed by the Workgroup and the final Workgroup Report will be presented to the CUSC Panel at their meeting in July 2012. At the CUSC Panel meeting in September 2012, the Panel voted that CMP201 Original and the two Workgroup Alternative CUSC Modifications all better facilitate the Applicable CUSC Objectives, with a preference for the Original to be implemented. On the 25th October the Authority issued a "Send Back" direction, asking for further work to be carried out by the workgroup after which a further Code Administrator Consultation will be published.

CMP209 (All suppliers' submitted forecast demand to be export (Charging Methodology Modification Proposal) - CMP209 seeks to allow supplier to submit a negative demand forecast for the year and receive the embedded benefit payments on a monthly basis within year. Suppliers who net export do not receive these benefits until the annual reconciliation which can be up to 7 months after TRIAD periods for HH sites and 15 months for NHH. CMP209 proposes to correct this disparity. CMP209 was presented to CUSC Modifications Panel on 30th April 2012 and the CUSC Modifications Panel agreed that CMP209 should proceed to Workgroup. The Workgroup Report will be presented to the CUSC Panel on 28th September 2012. The Panel agreed to a 1 month extension to CMP209 as the first Workgroup meeting was delayed due to availability and also to allow for a longer consultation period through the holiday period. The CUSC Panel voted by majority that the CMP209 Original Proposal best facilitates the Applicable CUSC Objectives and so should be implemented. An Authority decision was expected on 21st January 2013. The Authority confirmed at the CUSC Panel meeting in January that they were considering carrying out a "minded to Consultation" due to concerns on the evidence presented in the Final Report. Ofgem have published a consultation to seek further information and clarification on CMP209 prior to making its final decision. Responses are due by 7 May 2013.

CMP210 (All suppliers' submitted forecast demand to be export (CUSC Modification) - CMP210 seeks to allow supplier to submit a negative demand forecast for the year and receive the embedded benefit payments on a monthly basis within year. Suppliers who net export do not receive these benefits until the annual reconciliation which can be up to 7 months after TRIAD

periods for HH sites and 15 months for NHH. CMP210 proposes to correct this disparity. CMP210 was presented to CUSC Modifications Panel on 30th April 2012 and the CUSC Modifications Panel agreed that CMP210 should proceed to Workgroup. The Workgroup Report will be presented to the CUSC Panel on 28th September 2012. The Panel agreed to a 1 month extension to CMP210 as the first Workgroup meeting was delayed due to availability and also to allow for a longer consultation period through the holiday period. The CUSC Panel voted by majority that the CMP210 Original Proposal best facilitates the Applicable CUSC Objectives and so should be implemented. An Authority decision was expected on 21st January 2013. The Authority confirmed at the CUSC Panel meting in January that they were considering carrying out a "minded to Consultation" due to concerns on the evidence presented in the Final Report. Ofgem have published a consultation to seek further information and clarification on CMP210 prior to making its final decision. Responses are due by 7 May 2013.

CMP213 – (Project TransmiT TNUoS Developments). CMP213 was raised by National Grid as a result of the direction to NGET by the Authority following their Significant Code Review on electricity transmission charging arrangements. CMP213 is made up of three main elements: Network Capacity Sharing, Inclusion of HVDC in the charging calculation, and Inclusion of islands links into the charging methodology. The Panel agreed for CMP213 to progress to a Workgroup through the standard route and to report back to the December 2012 CUSC Panel as it was felt that a minimum of 6 months would be required for the Workgroup phase. At the CUSC Panel meeting on the 25th January it was agreed for the CMP213 to receive a one month extension for the Workgroup Report to be presented to a Special CUSC Panel meeting in April 2013.

CMP215 – (Removal of references to TNUoS charges for Interconnector BM units and requirement to provide security cover). CMP215 proposed changes aim to update Section 9 of the CUSC, Exhibit F 'The Connection and Use of System Code Use of System Application' and Exhibit H 'Use of System Interconnector Offer and Confirmation Notice'. The proposal will reflect the removal of the requirement to pay Transmission Network Use of System (TNUoS) charges for Interconnectors under GB ECM-26 in 2010 and the removal of Balancing Services Use of System (BSUoS) charges following the implementation of CMP202 in August 2012. Due to removal of both TNUoS and BSUoS charges, new Interconnector Users and Error Administrators are also no longer obligated to have an Approved Credit Rating or provide Security Cover for these charges. CMP215 aims to remove references to TNUoS charges for Interconnector BM Units in Section 9 of the CUSC and the requirement of Interconnector Users and Error Administrators to provide Security Cover in Exhibit F and Exhibit H. CMP215 was presented to the CUSC Modifications Panel on 25th January 2013 where it was agreed that CMP215 should progress as Self Governance and for it to proceed straight to Code Administrator Consultation. On the 22nd March the CUSC Panel voted unanimously that CMP215 better facilitates the Applicable CUSC Objectives and so should be implemented. The appeal window for CMP217 started on 22nd March and closes on the 16th April 2013. Subject to any appeals, CMP215 will be implemented in November 2013 following the Final Reconciliation for BSUoS Charges.

CMP216 – (Removal of references to BSUoS charges for interconnector BM Units). CMP216 proposed changes aim to update Section 9 of the CUSC, the proposal reflects Interconnectors no longer being obligated to pay Balancing Services Use of System (BSUoS) charges following the implementation of CMP202 in August 2012. The proposed implementation date is after November 2013, due to being unable to remove references to BSUoS charges until final reconciliation is complete. The proposal is being raised now to provide visibility to the industry that BSUoS obligations for Interconnectors have been removed. CMP216 was presented to the CUSC Modifications Panel on 25th January 2013 where it was agreed that CMP216 should progress as Self Governance and for it to proceed straight to Code Administrator Consultation. On the 22nd March the CUSC Panel voted unanimously that CMP216 better facilitates the Applicable CUSC Objectives and so should be implemented. The appeal window for CMP216 started on 22nd March and closes on the 16th April 2013. Subject to any appeals, CMP216 will be implemented on 1st November 2013.

CMP217 – (Clarification of the CUSC "Interruption Payment" and "Interruption Period " definitions). CMP217 proposes clarifying the 'Interruption Payment' and 'Interruption Period' definitions, which are set out in Section 11 of the CUSC, in order to allow the calculations set out by the legal text to be more easily derived.The 'Interruption Payment' and 'Interruption Period' definitions were introduced in 2004, following the approval of CAP48 by the Authority. The 'Interruption Payment' definition was further amended in 2008 following the approval of CAP144 by the Authority. More recently, CMP211 has made changes to the Interruption Payment definition. CMP211 was progressed as a self-governance modification; at the 14 December 2012 meeting, the CUSC Panel voted to approve the modification with an implementation date of 24th January 2013. This modification proposes to amend the 'Interruption Payment' and 'Interruption Period' CUSC text. The modification is not proposing to change the intent of CMP211 but simply introduce greater clarity into the CUSC definitions. For this reason, and to minimise industry resource, a straight to consultation route is preferred under the CUSC governance procedure. CMP217 was presented to the CUSC Modifications Panel on 25th January 2013 where it was agreed that CMP217 should progress as Self Governance and for it to proceed straight to Code Administrator Consultation. On the 22nd March the CUSC Panel voted unanimously that CMP217 better facilitates the Applicable CUSC Objectives and so should be implemented. The appeal window for CMP217 started on 22nd March and closes on the 16th April 2013. Subject to any appeals, CMP217 will be implemented on 1st May 2013.

CMP218 – (Changes required for use of new banking product to hold Users' cash securities). CMP218 seeks to amend the CUSC to facilitate the use of a new banking product by NGET to hold security provided by Users. The new banking product uses "virtual client accounts" to hold the security and interest which will have a number of administrative benefits: it would remove the need to create a new account for each User that provides security; it would allow refunds of security and interest to be provided more quickly than under the current arrangements. CMP218 was presented to the CUSC Modifications Panel on 22nd March and the CUSC Modifications Panel agreed that CMP218 should progress through the Self Governance route. However, the Panel raised some queries and it was agreed that the queries would be clarified prior to proceeding to Code Administrator consultation. The queries are to be discussed at the CUSC Panel meeting on 26th April 2013.

Grid Code

The most recent meeting of the **Grid Code Review Panel** was held on 20th March 2013. The next GCRP will take place on 15th May 2013.

Consultations & Reports to the Authority

2012

A/12 (Information Required to Evaluate Sub-Synchronous Resonance)
Proposes changes to facilitate the exchange of information required to evaluate and, if necessary, mitigate the risk of Sub-Synchronous phenomena such as Sub-Synchronous Resonance on the Transmission System. The Industry Consultation closed on 26th March 2012 and 5 responses were received. National Grid is considering some possible issues identified in the consultation responses. Once these are resolved, National Grid will submit a Report to the Authority. On the 2 May 2013, National Grid are hosting an industry workshop for parties with an interest in Sub Synchronous Resonance. Interested parties are asked to contact the Grid Code team.

F/12 (Formalising Two Shifting Limit and other parameters)
This consultation has been published by the Electricity Balancing System Group and is seeking views on modifications to the Grid Code to make Two Shifting Limit and certain items of Other Relevant Data (Grid Code BC1.4.2(f)) formal parameters. The consultation opened on 16th March 2012 and responses are requested by 24th April 2012. Consultation closed with 9 responses received. The

EBSG have submitted a workgroup report on TSL to the GCRP panel who met on the 18th July. As Eggborough originally raised the issues surrounding TSL, National Grid hosted a meeting with Eggborough on 26 July 2012 to discuss their issues and try to develop a pragmatic way forward. A consultation 'Treatment of Two Shifting Limit' closed on 16th November, with 8 responses received. The Report to the Authority was sent to the Authority for determination on the 6th December 2012.

2013

GC0033 (Offshore Wind Farms not connected to an Offshore Transmission System)
This proposal seeks to modify the Grid Code to ensure that the benefits afforded to 'Power Park Modules' in the Grid Code are restored to relevant Generators located Offshore and to improve the clarity of the code. The industry Consultation was published on 15th February 2013 and closed on 15th March 2013, with 3 responses received. National Grid are considering the responses and drafting the Report to the Authority.

Working Groups

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 last meeting took place on 14th February 2012 where it was agreed that the Workgroup Report would be drafted. No further meetings are anticipated. National Grid is currently drafting the Industry Consultation.

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 group has established two subgroups EBSIT (focusing on IT issues) and EBSMSM (focussing on Multi Shaft modelling). The last EBSG meeting took place in on 13th July 2012. The EBSG was given an update to the EBS Multi Shaft Modelling Subgroup. The main action of this subgroup is to work up a "straw man" configuration modelling proposal and bring this back to EBSG and GCRP in due course. There is no forecast on when this might be presented at this time. A regularly updated EBS Project Plan is now presented at each EBSG meeting, giving an overview of events and milestones. This supported discussion around release dates for EBS and how these would consider release dates for Elexon. The last meeting was held on Thursday 13th December 2012 in Warwick. The EBSG have presented two Grid Code issue papers to the Janaury GCRP. Reactive and Frequency Report Fax Form Information and New and Revised Balancing Code Parameters and Instructions will both be developed further by the EBSG before proceeding to Industry Consultation. The next meeting is scheduled for Wednesday 17 April 2013.

Power Available
Following discussions within the CBSG, in March 2012, the group initiated proposals to develop the concept of Power Available for wind farms. This concept proposes to use data, such as wind speed, to calculate the potential power that would have been produced by a wind farm if they did not have their output curtailed. This value could then be used to assist with the integration of intermittent generation into current balancing arrangements for example as a reference point for settlement of bid/offer acceptances rather than the current method of using the generator's Final Physical Notification (FPN). There is overlap between this and the High Wind Speed Shutdown Workgroup. The first meeting was held on the 11th September 2012. The Workgroup are progressing through the Terms of Reference.

High Wind Speed Shutdown

Wind turbines are designed to operate within a specific range of wind speeds. Generally, where the speed exceeds such operating ranges, it can lead to the turbines disconnecting in order to protect against damage due to excessive mechanical loading. The impact this has on the transmission system is that there will be a loss of power leading to a drop in frequency. The secondary effect is the potential uncontrolled reconnection of the turbines once the wind speed returns to a safe operating range. This could lead to a high frequency event due to the additional power from the turbines combined with replacement plant which may have been despatched to mitigate the initial low frequency. A workshop was held on 11 April 2012 to further discuss these issues with relevant industry stakeholders. This workshop concluded that a Workgroup should be established under the governance of the GCRP, this was approved at the July 2012 GCRP. The first workgroup meeting was held on the 11th September 2012. The Workgroup are progressing through the Terms of Reference.

Information on Embedded Small Power Stations for the Purposes of Developing, Planning and Operating the Transmission System.

This workgroup was established at the May 2012 GCRP meeting. The workgroup will; review information currently provided by Network Operators to NGET concerning embedded small power stations, review how this information is used, identify any inconsistencies between how Small Power Stations connected to User's networks can be accounted for and identify any information which is necessary and not provided or information that is provided but is not necessary. The Workgroup will meet again in April 2013

Frequency Changes during Large Disturbances and their impact on the Total System

The Frequency Changes during Large Disturbances and their impact on the Total System Workgroup was established by Grid Code Review Panel (GCRP) at the May 2012 GCRP meeting. The workgroup will review the expected behaviour of the Total System when subject to frequency changes during large disturbances with particular focus on the rate of change of frequency. The workgroup will also review the findings of the frequency response technical sub-group and assess their implications, take account of relevant international practice and the approach taken in European code development and evaluate the costs, benefits and risks of any actions necessary to maintain or improve current levels of resilience to frequency changes under future system conditions. The first Workgroup was held on 26th October 2012 and have met a further 3 times. The Workgroup have published an open letter to the Industry informing interested parties of the likely setting changes and inviting them to an Industry Workshop. The workgroup will meet again on 11 April 2013 The workgroup are hosting two industry seminars, one in Scotland on 25 April 2013 and one in London on 8 May 2013.

Demand Control

The Demand Control Workgroup will; review the need for, and requirements of, Demand Control Instructions, review the existing capabilities of the DNO's to implement Demand Control Instructions, take account of relevant international practice and the approach taken in European Code development and evaluate the costs, benefits and risks of any actions necessary to ensure that DNOs can implement the required Demand Control Instructions in the required timescales under future system conditions. The Workgroup met for the first time on the 5th December 2012. The Workgroup will meet again in April 2013.

AMALGAMATED ELECTRICITY CODES MODIFICATION REPORT

As at 8th April 2013

This document contains the Modification 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