

Review of CAP076, CAP048 & CAP144

Malcolm Arthur



nationalgrid

The power of action.™

Agenda

- ◆ Overview of CAP076
 - ◆ Why it was introduced
 - ◆ Current issues
 - ◆ Potential development options
- ◆ Overview of CAP048 & CAP144
 - ◆ Overview
 - ◆ Current issues
 - ◆ Potential development options

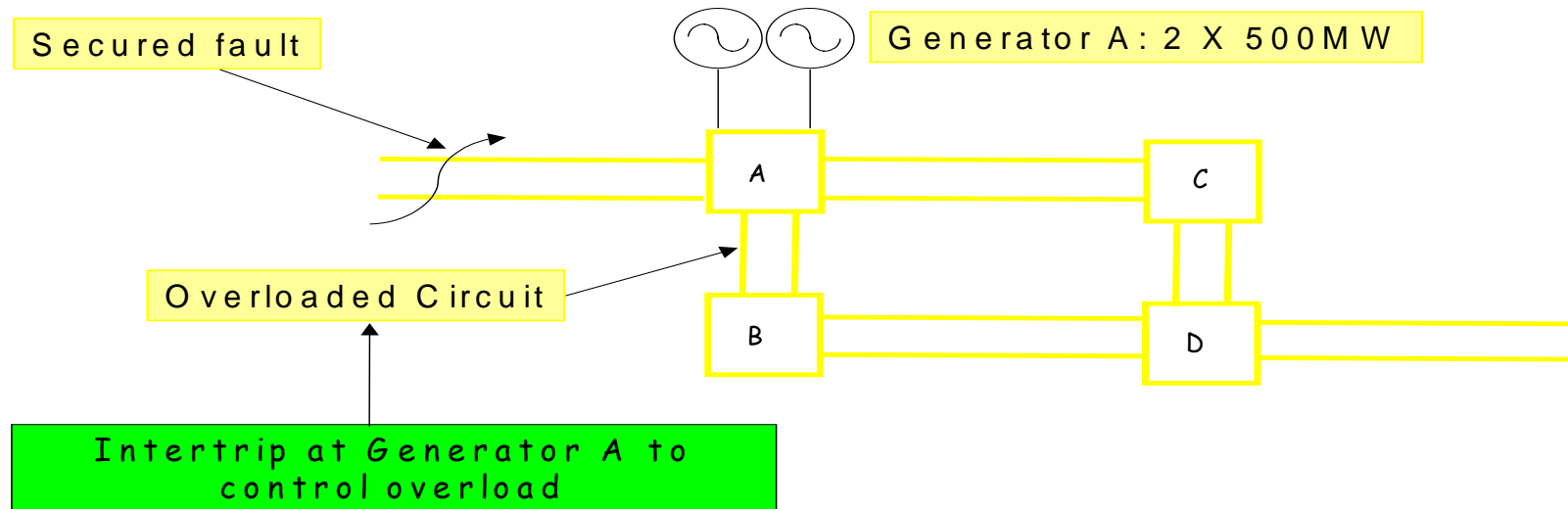
Overview of CAP076

- ◆ CAP076 was raised in August 2004
 - ◆ Intertrips are used to solve transmission system related problems e.g. thermal overloads, stability
 - ◆ CAP076 intended to improve the arrangements by developing a clear definition of the different intertrip categories, and a transparent mechanism for administered payments, where the payments are intended to reflect the appropriate costs being incurred by a generator
 - ◆ Not all types of intertrips are covered
- ◆ CAP170 proposes to include an additional intertrip category

CAP076 – Category 1

- ◆ Category 1 - An intertrip arising from a Variation to Connection Design

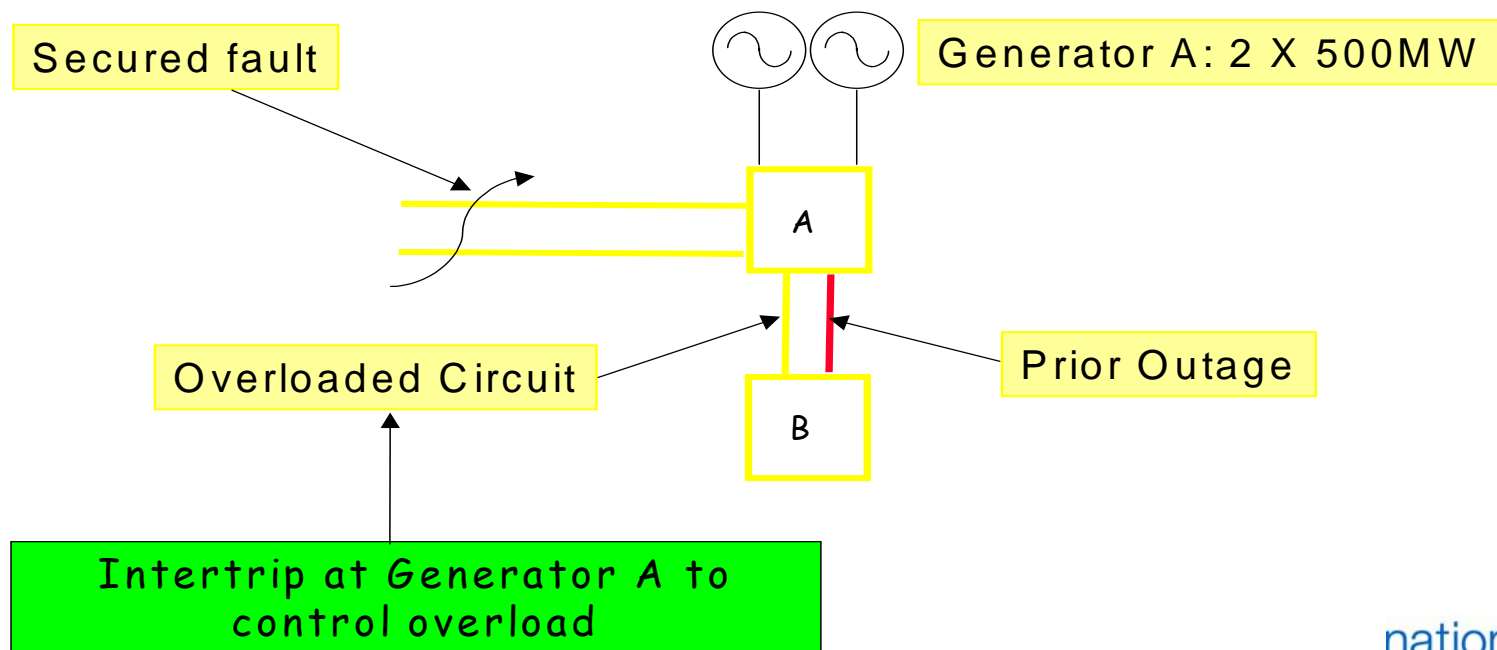
Category 1



CAP076 – Category 2

- ◆ Category 2 – An intertrip required to alleviate an overload. The criteria means that the changes in Generator output must impact the circuit loading by 100%

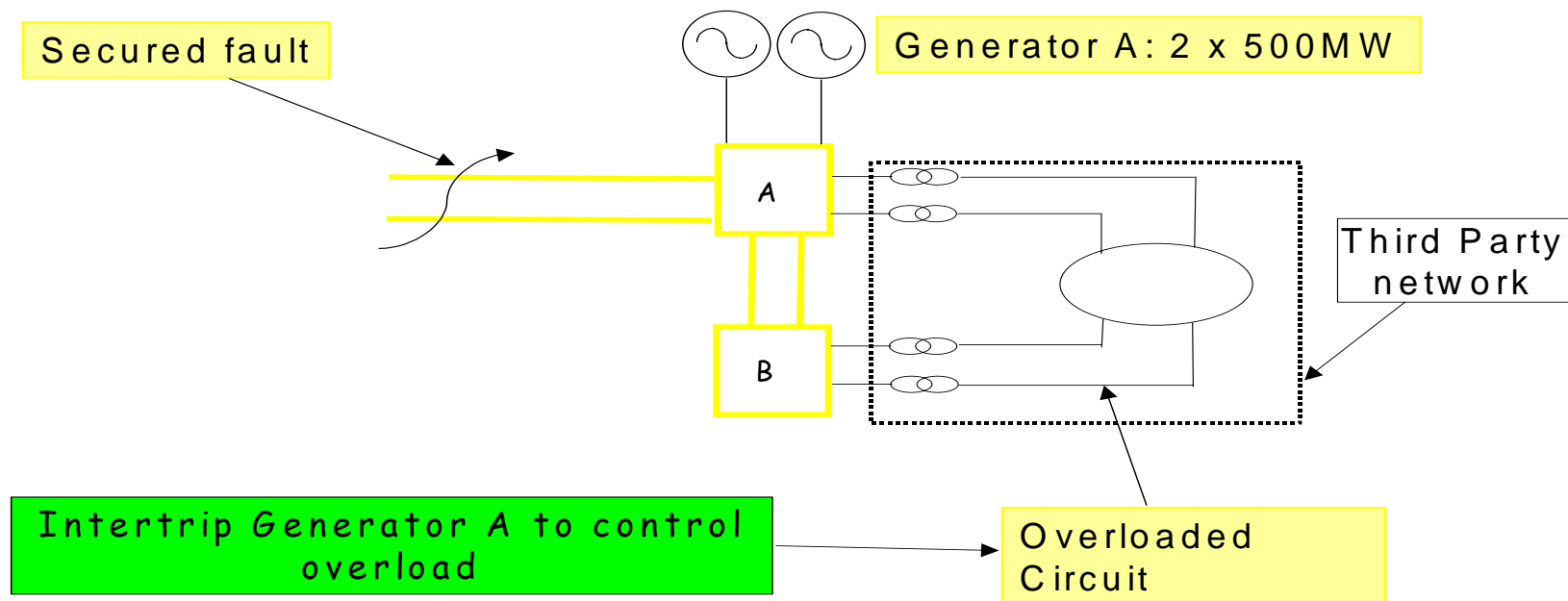
Category 2



CAP076 – Category 3

- ◆ Category 3 – An intertrip installed as an alternative to reinforcement of a third party system eg. DNO system

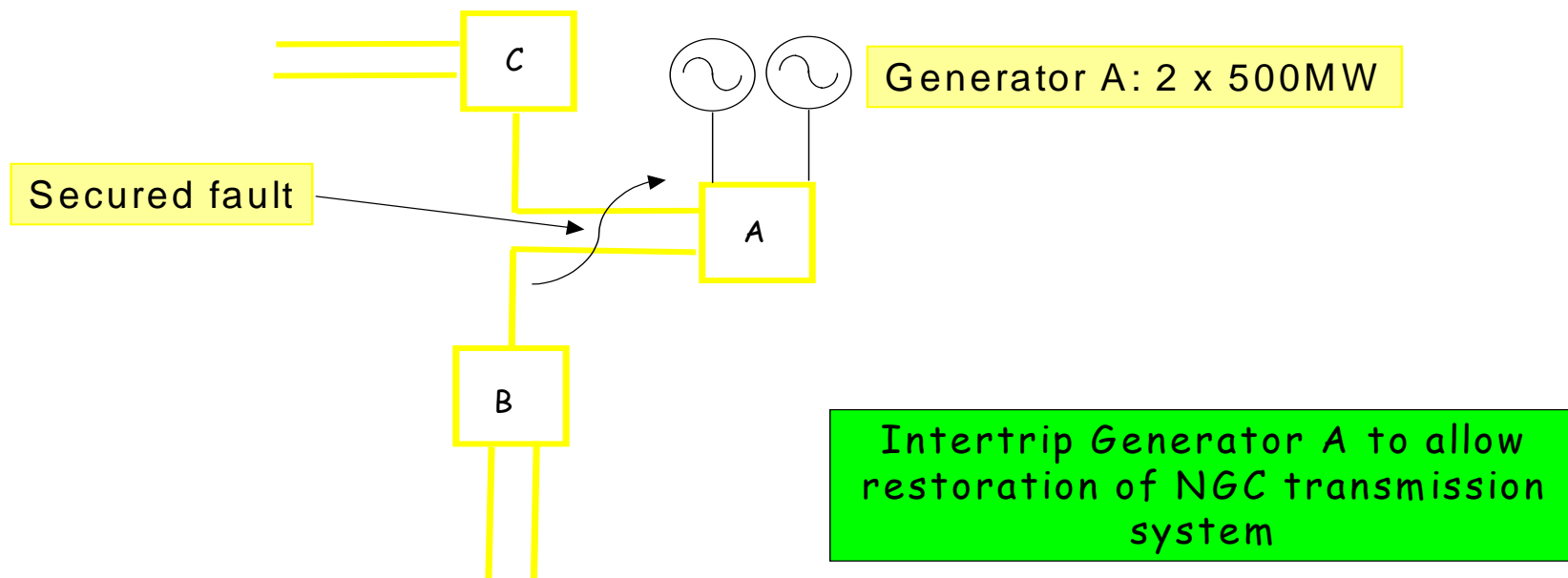
Category 3



CAP076 – Category 4

- ◆ Category 4 – An intertrip installed to disconnect a generator for a credible fault where it would facilitate the timely restoration of critical circuits

Category 4



Intertrip Payments

- ◆ Capability fee – fee paid for providing the ability to intertrip
- ◆ Arming fee – fee paid when intertrip is selecting to be active
- ◆ Tripping fee – fee paid if an generator is tripped when armed
- ◆ Category 2 & 4 are paid capability and tripping fees

Payment for CAP076

	Category 1	Category 2	Category 3	Category 4
Capability payment (£/SP)	N/A	£1.99	N/A	£1.99
Tripping payment (£/unit/trip)	N/A	£463,400	N/A	£463,400
Arming fee	N/A	N/A	N/A	N/A
ABSVD	No	Yes	Yes	Yes

- ◆ Prices are indexed using RPI

Current Issues - CAP076

- ◆ Are the administered prices cost reflective
 - ◆ Currently have one price for all generation types
 - ◆ Does the current indexation update prices appropriately?
 - ◆ Are intertrip definitions correct?

Potential development options

- ◆ What do we want to do with CAP076 payments?
 - ◆ Revise / update payments
 - ◆ Develop indexed payments
 - ◆ Develop fuel specific payments
 - ◆ Change / revise / merge / add intertrip categories

Overview of CAP048

- ◆ CAP048 placed an obligation on National Grid to buy back access if a generator is subject to temporary physical disconnection
 - ◆ Ensures that connection and access rights cannot be withdrawn/removed without Generator being compensated at a price detailed in the CUSC

Overview of CAP144

- ◆ Aimed to provide similar arrangements to CAP048 for 'imminent' removal of system access e.g. due to anticipated equipment failure
- ◆ Removed financial incentive to leave a generator connected for an imminent failure rather than the SO enact a controlled removal
- ◆ Arrangements developed for CAP144 were different than those in place for CAP048

Overview of payments for CAP048 & CAP144

- ◆ CAP048 – planned events – daily TNUoS rebate
- ◆ CAP048 – unplanned events – first day receive Market Index Price for loss of capacity; thereafter receive a daily TNUoS rebate
- ◆ CAP144 – SBP until end of the wall; Market Index Price for loss of capacity for rest of the day; thereafter receive a daily TNUoS rebate

Issues with CAP048 & CAP144

- ◆ Differing compensation arrangements between CAP048 and CAP144
- ◆ Is current compensation fair for all parties?
- ◆ Do the arrangements need to be extended with the new connect and manage regime?

Issues with CAP048 & CAP144

- ◆ Differing compensation arrangements between CAP048 and CAP144
- ◆ Is current compensation fair for all parties?
- ◆ Do the arrangements need to be extended with the new connect and manage regime?

Potential development options

- ◆ Harmonise the two compensation regimes
- ◆ Develop alternative compensation options