

## Connection and Use of System Code (CUSC)

<b>Title of the CUSC Modification Proposal</b>
Charging arrangements for interlinked offshore transmission solutions connecting to a single onshore substation.
<b>Submission Date</b>
19 <sup>th</sup> March 2015.
<b>Description of the Issue or Defect that the CUSC Modification Proposal seeks to address</b>
<p>A number of developers of offshore generation are planning the construction of a transmission cable linking the platforms of some of their projects that connect to a common onshore substation (held in open standby unless the cable to shore associated with either project becomes unavailable). Such a cable would provide additional security to their projects but may not necessarily provide any additional capacity, providing a cheaper alternative to building multiple cables to shore from each platform.</p> <p>Whilst similar low voltage cables already exist for a number of offshore generators, these have either remained within generator ownership or exist to the supply of energy to a platform in the event of a fault rather than an export route.</p> <p>However, the current charging methodology within section 14 of the CUSC would not provide a cost reflective charge for offshore transmission solutions that include interlinked offshore substations connecting to a common onshore substation.</p>
<b>Description of the CUSC Modification Proposal</b>
<p>It is proposed that the TNUoS charging methodology within Section 14 of the CUSC is modified to ensure that both interlinking circuits and additional capacity that can be utilised on the export cables to shore are appropriately charged, such that:</p> <ul style="list-style-type: none"><li>i) The charge for capacity on an interlinking circuit that can be utilised by generation on either end of the link is set such that each party pays an amount representing an equal proportion of the associated OFTO revenue;</li><li>ii) The charge for any capacity on an interlinking circuit that can only be utilised by a generation on one end of the link is set such that the relating generation pays a charge equivalent to the associated OFTO revenue; and</li></ul>

iii) The Local circuit charge for an offshore generator will reflect any additional capacity on export cables to shore that is made available through use of an interlinking circuit.

### Impact on the CUSC

*Changes to Section 14.15 Derivation of the Transmission Network Use of System Tariff*

### Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes / No

No

### Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information

BSC

Grid Code

STC

Other   
(please specify)

*This is an optional section. You should select any Codes or state Industry Documents which may be affected by this Proposal and, where possible, how they will be affected.*

### Urgency Recommended: Yes / No

No

### Justification for Urgency Recommendation

N/A

### Self-Governance Recommended: Yes / No

No

### Justification for Self-Governance Recommendation

N/A

**Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews?**

N/A

**Impact on Computer Systems and Processes used by CUSC Parties:**

N/A

**Details of any Related Modification to Other Industry Codes**

N/A

**Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives for Charging:**

**Please tick the relevant boxes and provide justification for each of the Charging Methodologies affected.**

**Use of System Charging Methodology**

- (a) that compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;
- (b) that compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection);
- (c) that, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses.
- (d) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.  
These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1.

*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

**Full justification:**

The proposed solution will ensure that the TNUoS charging methodology adequately takes account of interlinked offshore transmission solutions (better facilitating objective (c – taking developments of transmission businesses into account)). It will ensure that charges reflecting the cost of transmission assets provided as part of an interlinked solution are paid by generators benefitting from them rather than the costs being incorporated within the residual charge picked up by all generation (better facilitating applicable objectives (b - cost reflectivity) and (a - competition)).

### Additional details

<b>Details of Proposer:</b> (Organisation Name)	National Grid Electricity Transmission plc
<b>Capacity in which the CUSC Modification Proposal is being proposed:</b> (i.e. CUSC Party, BSC Party or “National Consumer Council”)	CUSC Party
<b>Details of Proposer’s Representative:</b> Name: Organisation: Telephone Number: Email Address:	Wayne Mullins National Grid 01926 653999 wayne.mullins@nationalgrid.com
<b>Details of Representative’s Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Juliette Richards National Grid 01926 654580 juliette.richards@nationalgrid.com
<b>Attachments (Yes/No):</b> No <b>If Yes, Title and No. of pages of each Attachment:</b> n/a	

## Contact Us

If you have any questions or need any advice on how to fill in this form please contact the Panel Secretary:

E-mail [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

Phone: 01926 653606

For examples of recent CUSC Modifications Proposals that have been raised please visit the National Grid Website at <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/Current/>

## Submitting the Proposal

Once you have completed this form, please return to the Panel Secretary, either by email to [jade.clarke@nationalgrid.com](mailto:jade.clarke@nationalgrid.com) copied to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com), or by post to:

Jade Clarke  
CUSC Modifications Panel Secretary, TNS  
National Grid Electricity Transmission plc  
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Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

If no more information is required, we will contact you with a Modification Proposal number and the date the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, the Proposal can be rejected. You will be informed of the rejection and the Panel will discuss the issue at the next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform you.