

Michael Toms CUSC Panel Chair c/o National Grid Electricity Transmission plc National Grid House Warwick Technology Park Gallows Hill Warwick CV34 6DA

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Date: 9 July 2015

Dear Mr. Toms,

CUSC Modifications Panel recommendation not to grant urgency for CMP245 and CMP246: "Introduction of a new 'category 5 Intertripping Scheme' to include System to System intertrips in relation to One-off Charges"

Tullymurdoch Limited (the 'Proposer') raised CUSC modification proposals CMP245 and CMP246 ("Introduction of a new 'category 5 Intertripping Scheme' to include System to System intertrips in relation to One-off Charges") on 17 June 2015 and requested that they be processed on an urgent timetable. The CUSC Modifications Panel ('the Panel') considered CMP245 and CMP246 at its meeting on 26 June 2015.

On 29 June 2015 the Panel wrote to us with its recommendation not to treat these proposals as urgent. The Panel also set out its view that a standard four month Workgroup process should be followed to assess these proposals with the option of the Workgroup reporting back to the Panel earlier if possible.

This letter confirms that we are in agreement with the Panel and do not consider that this is a matter that should be processed on an urgent basis.

Background to the proposals

Intertrips automatically disconnect demand or generation network users from the transmission system when a specific event occurs, such as a fault on the network. There are currently four categories of intertrip defined in the Grid Code and referred to in the CUSC.

The current connection charging methodology (the 'methodology') is set out in section 14 of the CUSC. It allows for certain works to be included in a customer's connection charge as 'one off works'. These include 'non-standard' costs and costs that cannot be capitalised, typically revenue costs. The methodology also makes clear category two and category four intertrips may not be charged for as one off works.

The proposals

CMP245 proposes to introduce a new category of 'system to system' intertrips to the CUSC – ie intertrips between two transmission systems. This new category will first need to be defined in the Grid Code through a Grid Code Modification.

CMP246 proposes that this new category of system to system intertrips may not be charged as one off works.

Panel Discussion

The Panel discussed CMP245 and CMP246 at its meeting on 26 June 2015.

The proposer noted that it had received a connection offer that includes a significant charge for a system to system intertrip. It requested the proposals be treated as urgent due to the large commercial impact of this charge on it.

The majority of Panel members voted against treating CMP245 and CMP246 urgently. They noted that the proposals could not be implemented before the proposed new category of intertrip was defined in the Grid Code and that it is not possible to progress the Grid Code modification on the urgent timetable proposed. Therefore, in their view, there would not be any benefit in progressing the CUSC proposals on an urgent timetable.

The Panel recommended that the proposals should be addressed as quickly as possible within a standard CUSC modification timetable.

Our Views

In reaching our decision¹, we have considered the details contained within the proposals, the Proposer's justification for urgency and the views of the Panel. We have assessed the request against the criteria set out in Ofgem's published guidance², in particular whether it is linked to "an imminent issue or a current issue that if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s)".

We agree with the majority of the Panel that CMP245 and CMP246 cannot be implemented before the proposed new category of intertrip is defined in the Grid Code. Therefore the progress of these proposals on an urgent timetable would not expedite the implementation of either proposal.

Therefore our decision is to **not grant** the request for urgency.

We also note that the standard modification process is designed to allow sufficient opportunity for industry to consider and submit their views in respect of a modification proposal. For the avoidance of doubt, in not granting this request for urgency, we have made no assessment of the merits of the proposals and nothing in this letter in any way fetters the discretion of the Authority in respect of these proposals.

Yours sincerely,

Kersti Berge Partner, Transmission Duly authorised on behalf of the Authority

¹ This document is notice of the reasons for this decision as required under section 49A Electricity Act 1989.

² Our guidance on the urgent treatment of code modifications is published on our website here <u>https://www.ofgem.gov.uk/ofgem-publications/61726/ofgem-guidance-code-modification-urgency-criteria.pdf</u>