

Stage 06: Final CUSC Modification Self-Governance Report

Connection and Use of System Code

CMP217 Clarification of the CUSC 'Interruption Payment' and 'Interruption Period' definitions

What stage is this document at?

| | |
|----|---------------------------------|
| 01 | Initial Written Assessment |
| 02 | Workgroup Consultation |
| 03 | Workgroup Report |
| 04 | Code Administrator Consultation |
| 05 | Draft CUSC Modification Report |
| 06 | Final CUSC Modification Report |

This modification 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.

Published on: 3 April 2013
Date of CUSC Modifications Panel Vote: 22 March 2013



The Panel has determined:

That CMP217 should be implemented as it better facilitates Applicable CUSC Objective (a)



Implementation:

Subject to any appeal, CMP217 will be implemented on 1 May 2013.



High Impact:

None identified



Medium Impact:

None identified



Low Impact:

CUSC Parties, BSC Parties, National Grid Electricity Transmission plc

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Any Questions?

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About this document

This is the Final CUSC Modification Report which contains details of the Panel's determination in respect of CMP217, as well as responses to the Code Administrator Consultation. The report has been prepared and issued by National Grid as Code Administrator, under the rules and procedures specified in the CUSC.

Document Control

| Version | Date | Author | Change Reference |
|---------|---------------|--------------------|---------------------------------|
| 0.1 | 5 March 2013 | Code Administrator | Draft for Industry Comment |
| 0.2 | 14 March 2013 | Code Administrator | Version for Panel Determination |
| 0.3 | 22 March 2013 | Code Administrator | Version for Panel comment |
| 1.0 | 3 April 2013 | Code Administrator | Final Version for Publication |

1 Summary

- 1.1 This document describes the CMP217 Modification Proposal and summarises industry member's responses to the Code Administrator Consultation.
- 1.2 CMP217 seeks to clarify the Interruption Payment and Interruption Period definitions as 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.
- 1.3 CMP217 was raised by National Grid Electricity Transmission plc (NGET) and submitted to the CUSC Modifications Panel for their consideration on 25 January 2013. The proposer considered that the modification is not changing the intent of the CUSC legal text but simply introducing greater clarity into the CUSC definitions. For this reason, and to minimise industry resource, a straight to consultation route was preferred under the CUSC governance arrangements. The proposer also considered that the modification should follow the CUSC self-governance route for determination.
- 1.4 The Panel determined that the proposal met the self-governance criteria. The Panel further determined that the proposal should be sent to the Code Administrator Consultation phase and report back to the CUSC Modifications Panel in March 2013. As the modification was progressed with a straight to consultation route, and no workgroup phase, due to the nature of the proposal, the Panel agreed an extended Code Administrator Consultation period of 20 working days rather than the typical 15 working days.
- 1.5 The Code Administrator Consultation closed on the 28 February 2013. There were three responses to the consultation. The responses are shown in Section 7 and Annex 4 of this document.
- 1.6 All three respondents to the consultation supported the modification proposal and believed it better facilitated applicable objective (b). One respondent supported the modification subject to a clarification of the example calculation set out in the consultation document. A second respondent supported the modification but considered that some of the legal text could be further improved. Following comments from a respondent some minor changes have been proposed to the legal text and these may add further clarity, the respondent who raised the legal text comments responded to the draft CMP217 Final Modification Report and was in agreement with the changes made. Section 7 of this document sets out the consultation responses and provides comments on some areas of the responses.
- 1.7 Aside from the legal text comments noted above, the respondent had further comments, these are summarised below:
 - European Codes are being developed which propose compensation for generators that are disconnected by the TSO. It would be useful for further changes to disconnection arrangements to consider these EU proposals and other market arrangement changes.
 - The respondent believed it would have been useful to have reviewed the CMP217 modification through a Workgroup, and believed the Workgroup could have provided an opportunity to see if there were other parts of the CUSC or Grid Code that might need changing.
 - The respondent believed that Emergency Instructions under the Grid Code could also benefit from clarification.
 - The respondent noted that Interconnector arrangements may also need to change and felt any future review should take place under a

Workgroup. This would also allow the compensation arrangements being proposed under the European 3rd Package Regulations to be considered and allow a more holistic review to ensure the arrangements are consistent, robust and in line with the latest market thinking.

- 1.8 Section 7 of this document shows the responses grouped by question, also shown is responses to the comments if appropriate.
- 1.9 This CUSC Modifications Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website at www.nationalgrid.com/uk/Electricity/Codes, along with the CUSC Modification Proposal form.

National Grid's Opinion

- 1.10 National Grid believes that CMP217 better facilitates Applicable CUSC Objective (b) than the existing arrangements. Clarifying the definitions and making the calculations easier to follow, will improve efficiency it will also improve the process introduced by CMP212. The Code Administrator has made changes to the legal text following consultation comments by one respondent but these are of a minor nature. Annex 1 of this document contains change marked legal text, text changes shown in purple have been made following responses to the Code Administrator Consultation.

CUSC Modifications Panel's Determination

- 1.11 At the meeting of the CUSC Modifications Panel on 22 March 2013, the Panel voted unanimously that CMP217 better facilitates the Applicable CUSC Objectives and so should be implemented. Further details can be found in Section 6.

Implementation

- 1.12 The 15 working day Self-governance appeal window commenced on 22nd March 2013 and closes on 16th April 2013. Pending any appeals, CMP217 will be implemented 10 working days later on the 1st May 2013.

2 Why Change?

- 2.1 The methodologies for calculating the compensation payments for parties who are eligible for a claim, as a result of an interruption to their generating units, are detailed under the 'Interruption Payment' definition. The 'Interruption Payment' definition under Section 11 of the CUSC specifies the payment for;
- a) A Relevant Interruption arising as a result of a Planned Outage;
 - b) A Relevant Interruption arising as a result of an Emergency Deenergisation Instruction; and
 - c) All other Relevant Interruptions.
- 2.2 The 'Interruption Payment' and closely linked 'Interruption Period' definitions were introduced in 2004, following the approval of CAP48¹ by the Authority. The 'Interruption Payment' definition was further amended in 2008 following the approval of CAP144² by the Authority. More recently, CMP211³ 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 24 January 2013. At the same meeting the CUSC Panel also voted to approve modification CMP212⁴ for implementation on 24 January 2013. CMP212 sets out a more robust process in relation to loss of transmission access claims, introducing time limits for users to submit claims and for National Grid to investigate claims as well as a minimum claims threshold value (along with the ability of the CUSC Panel to change the threshold (if appropriate) within a pre-defined limit).
- 2.3 The existing CUSC text, in relation to interruption payment calculations, can be difficult to follow. CMP217 proposes introducing greater clarity into the CUSC definition for 'Interruption Payment' such that it is easier for a third party who is not familiar with calculations to calculate the values involved. The modification will also clarify the 'Interruption Period' so that it is clearer as to what the period of payment is.
- 2.4 The modification will allow a user to more easily work out the materiality of any loss of transmission access claim and assist in the efficiency of the loss of transmission access claims process introduced under CMP212.

¹ Ofgem CAP48 Decision letter: <http://www.nationalgrid.com/NR/rdonlyres/14ACD9FA-F3EB-437E-B07C-024056ED79F8/2112/CAP048D.pdf>

² Ofgem CAP144 Decision Letter: <http://www.nationalgrid.com/NR/rdonlyres/E3F1095E-F9AA-4B3F-869F-1E324BFF35C3/26405/CAP144D.pdf>

³ CMP211 Final CUSC Modification Report: <http://www.nationalgrid.com/NR/rdonlyres/26C20494-BE39-4C92-A2C3-CF5C425F4D08/58336/CMP211FinalCUSCModificationReport10.pdf>

⁴ CMP212 Final CUSC Modification Report: <http://www.nationalgrid.com/NR/rdonlyres/0774CE4E-9FF5-4BB0-BFF0-E00A3A62172A/58337/CMP212FinalModReport10.pdf>

3 Solution

- 3.1 This modification seeks to clarify the 'Interruption Payment' and 'Interruption Period' definitions contained within the CUSC. Annex One contains the proposed revised, change marked CUSC text. Annex Two contains the change accepted text. Following the Code Administrator Consultation, and comments from one respondent on the legal text, additional changes have been proposed to the legal text; these are of a minor nature and introduce further clarity. Annex One contains change marked CUSC text, the blue text represents changes made to the text in response to consultation comments.
- 3.2 The modification is not proposing to change the intent of the existing CUSC text but simply introduce greater clarity into the CUSC definitions.
- 3.3 The illustrative example below shows how the revised legal text will work for an example Emergency Deenergisation Instruction (EDI). Text with a grey background in the section below represents CUSC legal text contained within the revised definition of 'Interruption Payment'.

Site involved in the EDI

| Site BMU | CEC (Connection Entry Capacity) of BMU (MW) |
|----------|---|
| BMU 1 | 200 |
| BMU 2 | 200 |
| BMU 3 | 250 |
| BMU 4 | 300 |
| | |
| Total | 950 MW |

Transmission Entry Capacity of site = 800 MW

EDI Data

An EDI is notified to the site on Settlement Period 20 on 1 January 2013 and ended on Settlement Period 5 on 3 January 2013. The EDI is only issued to BMUs 1 and 2 with units 3 and 4 not impacted.

Calculations

Affected MW

Affected MW = the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**

$$\text{Affected MW}^5 = 800 \text{ (TEC)} - 250 - 300 = 250\text{MW}$$

⁵ 250MW is affected as the site can use 550MW of the site TEC through BMUs 3 and 4

In this example units 3 and 4 are still free to operate. In the Code Administrator Consultation, one respondent wanted clarification on this point. The example was used to illustrate the range of calculations involved and unit 3 and 4 operating was used to illustrate the fact that the MW for these units (unaffected by the interruption) would be taken into account when calculating the amount due. As an EDI is site specific the scenario represented was for calculation illustration purposes only.

First part of the calculation

In the case of an **Affected User** other than an **Interconnector Owner**

$$j = p$$

$$\sum_{j=1} \text{System Buy Price}_j * 0.5 * \text{Affected MW}_j$$

where;

j = **Settlement Periods** from the time when the **Emergency Deenergisation Instruction** was issued by **The Company**, with 1 representing the first **Settlement Period**.

p = The duration of the **Relevant Interruption** in **Settlement Periods** for which **Gate Closure** has occurred (up to a maximum value of 3).

The EDI lasts longer than the period of Gate Closure, so p is the maximum value of 3. Table shows the initial calculations.

Table 1

| Date - Settlement Period | Relative SP (j) | System Buy Price (£/MWh) | Affected MW | Affected MW * 0.5hr | Value (£) |
|--------------------------|-----------------|--------------------------|-------------|---------------------|-----------|
| 01/01/13 – 20 | 1 | 30.60 | 250 | 125 | 3,825.00 |
| 01/01/13 – 21 | 2 | 32.25 | 250 | 125 | 4,031.25 |
| 01/01/13 – 22 | 3 | 33.09 | 250 | 125 | 4,136.25 |
| | | | | | |
| | | | | Total: | £11,992.5 |

Second part of the calculation

Plus (if applicable)

$$j = m$$

$$\sum_{j=4} \text{Market Price}_j * 0.5 * \text{Affected MW}_j$$

m = The duration of the **Relevant Interruption** (being the Interruption Period), in **Settlement Periods** for which **Gate Closure** has not yet occurred (which shall be greater than 3, up to a maximum value of 48)

As the EDI lasted for longer than 3 Settlement Periods and longer than 24 hours, m is the maximum value of 48. Table 2 shows the calculations for the second part of the calculation; these use the Market Price rather than the System Price.

Table 2

| Date - Settlement Period | Relative SP (j) | Market Price (£/MWh) | Affected MW | Affected MW*0.5hr | Value (£) |
|--------------------------|-----------------|----------------------|-------------|-------------------|-----------|
| 01/01/13 – 23 | 4 | 41.13 | 250 | 125 | 5,141.25 |
| 01/01/13 – 24 | 5 | 42.65 | 250 | 125 | 5,331.25 |
| 01/01/13 – 25 | 6 | 43.13 | 250 | 125 | 5,391.25 |
| 01/01/13 – 26 | 7 | 43.28 | 250 | 125 | 5,410.00 |
| 01/01/13 – 27 | 8 | 43.91 | 250 | 125 | 5,488.75 |
| 01/01/13 – 28 | 9 | 43.58 | 250 | 125 | 5,447.50 |
| 01/01/13 – 29 | 10 | 42.22 | 250 | 125 | 5,277.50 |
| 01/01/13 – 30 | 11 | 42.39 | 250 | 125 | 5,298.75 |
| 01/01/13 – 31 | 12 | 41.7 | 250 | 125 | 5,212.50 |
| 01/01/13 – 32 | 13 | 42.09 | 250 | 125 | 5,261.25 |
| 01/01/13 – 33 | 14 | 45.54 | 250 | 125 | 5,692.50 |
| 01/01/13 – 34 | 15 | 53.35 | 250 | 125 | 6,668.75 |
| 01/01/13 – 35 | 16 | 72.25 | 250 | 125 | 9,031.25 |
| 01/01/13 – 36 | 17 | 66.2 | 250 | 125 | 8,275.00 |
| 01/01/13 – 37 | 18 | 54.4 | 250 | 125 | 6,800.00 |
| 01/01/13 – 38 | 19 | 49.69 | 250 | 125 | 6,211.25 |
| 01/01/13 – 39 | 20 | 43.12 | 250 | 125 | 5,390.00 |
| 01/01/13 – 40 | 21 | 41.82 | 250 | 125 | 5,227.50 |
| 01/01/13 – 41 | 22 | 41.53 | 250 | 125 | 5,191.25 |
| 01/01/13 – 42 | 23 | 41.18 | 250 | 125 | 5,147.50 |
| 01/01/13 – 43 | 24 | 39.38 | 250 | 125 | 4,922.50 |
| 01/01/13 – 44 | 25 | 38.71 | 250 | 125 | 4,838.75 |
| 01/01/13 – 45 | 26 | 38.47 | 250 | 125 | 4,808.75 |
| 01/01/13 – 46 | 27 | 36.64 | 250 | 125 | 4,580.00 |
| 01/01/13 – 47 | 28 | 33.77 | 250 | 125 | 4,221.25 |
| 01/01/13 – 48 | 29 | 33.67 | 250 | 125 | 4,208.75 |
| 02/01/13 – 1 | 30 | 34.56 | 250 | 125 | 4,320.00 |
| 02/01/13 – 2 | 31 | 34.6 | 250 | 125 | 4,325.00 |
| 02/01/13 – 3 | 32 | 34.44 | 250 | 125 | 4,305.00 |
| 02/01/13 – 4 | 33 | 34.36 | 250 | 125 | 4,295.00 |
| 02/01/13 – 5 | 34 | 32.82 | 250 | 125 | 4,102.50 |
| 02/01/13 – 6 | 35 | 32.69 | 250 | 125 | 4,086.25 |
| 02/01/13 – 7 | 36 | 31.49 | 250 | 125 | 3,936.25 |
| 02/01/13 – 8 | 37 | 29.89 | 250 | 125 | 3,736.25 |
| 02/01/13 – 9 | 38 | 29.98 | 250 | 125 | 3,747.50 |
| 02/01/13 – 10 | 39 | 30.25 | 250 | 125 | 3,781.25 |
| 02/01/13 – 11 | 40 | 31.32 | 250 | 125 | 3,915.00 |
| 02/01/13 – 12 | 41 | 31.58 | 250 | 125 | 3,947.50 |
| 02/01/13 – 13 | 42 | 41.65 | 250 | 125 | 5,206.25 |
| 02/01/13 – 14 | 43 | 41 | 250 | 125 | 5,125.00 |
| 02/01/13 – 15 | 44 | 43.78 | 250 | 125 | 5,472.50 |
| 02/01/13 – 16 | 45 | 43.64 | 250 | 125 | 5,455.00 |
| 02/01/13 – 17 | 46 | 47.3 | 250 | 125 | 5,912.50 |

| | | | | | |
|---------------|----|-------|-----|-------|----------|
| 02/01/13 – 18 | 47 | 47.94 | 250 | 125 | 5,992.50 |
| 02/01/13 – 19 | 48 | 44.27 | 250 | 125 | 5,533.75 |
| | | | | Total | £231,670 |

As the EDI lasted 3 days the third part of the calculation is required.

Third part of the calculation

and after the first 24 hours of a Relevant Interruption a sum calculated as 1 above save that k shall be 2.

The relevant part of 1 reads:

In the case of an **Affected User** other than an **Interconnector Owner**

$i = n$

$$\sum_{i=k}^n \text{Maximum (Average daily } \pounds \text{ per MW rate}_i, \text{ Actual daily } \pounds \text{ per MW rate}_i) * \text{Affected MW}_i$$

$i = \text{calendar days}$

$k = 1$, representing the first calendar day associated with a **Relevant Interruption**.

$n = \text{number of complete or part complete calendar days of a Relevant Interruption}$

Average daily £ per MW rate = (TNUoS income derived from generators/ total system **Transmission Entry Capacity**) / 365, calculated by reference in each case to figures for the **Financial Year** prior to that in which the **Relevant Interruption** occurs to give a daily £ per MW rate

Actual daily £ per MW rate = (Annual TNUoS charge of an **Affected User** for the **Financial Year** / **Transmission Entry Capacity** for the **Connection Site**) / 365 calculated by reference to the tariff in the **Statement of Use of System Charges** for the **Financial Year** in which the **Relevant Interruption** occurs

The EDI lasts for three days so $n = 3$ and $k = 2$. The generator would receive a payment for days 2 and 3.

The total TNUoS income derived from generators for the financial year prior to 01/01/2013 was £400,000,000 with the total system Transmission Entry Capacity of 80,000 giving a £ per MW rate of:

$$400,000,000 / 80,000 = \pounds 5,000 \text{MW}$$

Giving an Average daily £ per MW of $\pounds 5,000 / 365 = \pounds 13.69 \text{MW/day}$

The BMU in question had a total annual TNUoS charge of £900,000 this equates to a MW rate of:

$$£900,000/800 = £1,125\text{MW}$$

Giving an Actual daily £ per MW of $£1,125/365 = £3.08\text{MW/day}$

The average £ per MW value is greater than the actual £ per MW rate paid by the site so the higher value is used:

$$k = 2 \quad \quad \quad £13.69*250\text{MW} = £3,422.5$$

$$k = 3 \quad \quad \quad £13.69*250\text{MW} = £3,422.5$$

A southern based generator may have a relatively low TNUoS £ per MW value, in comparison to the average (as in this example) and the higher value average TNUoS value would be used in the calculations. This would also be the case if the generator was located in a negative TNUoS charging zone.

Please note the values used are illustrative and do not represent actual TNUoS income or values. The total amount due, in this example EDI is shown in table 3.

Table 3

| | |
|------------------------------|-----------|
| | |
| Initial 3 Settlement Periods | £11,992.5 |
| Next 45 Settlement Periods | £231,670 |
| Post initial 24 hours | £6,845 |
| | |
| Total | £250,508 |

Please note that for the calculation for 'all other Relevant Interruptions' is identical to the one for an EDI (example above). In the example, to illustrate the full range of calculations, the Relevant Interruption was assumed to last for three days if it had lasted for only 3 Settlement Periods then £11,992 would have been paid.

Listed below are some common questions in relation to the calculations.

Common Questions

1) For the Interruption Payment definition under a planned outage, why is the maximum of the Average Daily £ per MW rate or Actual Daily £ per MW rate used?

This replicates the existing methodology, using the average daily £ pre MW value ensures that generators in negative TNUoS charging zones would also receive a payment if they were eligible.

2) Interconnectors are eligible to a payment under Sections 1-3 of the revised 'Interruption Payment' definition even though they no longer pay TNUoS?

Interconnectors are eligible under the existing methodology and the revised legal text has replicated that. For a planned outage the calculation is based on the Average Daily £ per MW rate, the Actual Daily £ per MW value (which the existing text uses) has not been included because it is no longer relevant. The CUSC Panel discussed this possible anomaly (Interconnectors receiving a payment when they no longer pay TNUoS) and considered it outside the scope of CMP217, but possibly something to be considered under a future modification.

3) In Section 2 and 3, why does $k = 2$?

The start of an outage for a planned outage will be on day 1 and hence $k = 1$. The formula in Section 1 is also used if an EDI (Section 2) or Other Relevant Interruption (Section 3) continues for longer than 24 hours. If this was the case the first 24 hours (48 Settlement Periods) would be compensated using the formula in section 2 or 3, after this period the formula in section 1 would be used and hence $k = 2$ because the interruption has run into the second day.

4) Under Sections 2 and 3 why is the Affected MW multiplied by 0.5?

The System Buy Price and Market Price are both in MWh terms, because the calculations relate to Settlement Periods (30 minutes) the affected MW is halved.

5) Under Sections 4 why can the Market Price be zero?

The Market Price can be zero if the volume of trades for that Settlement Period were below a threshold. To ensure that the calculation can be performed the last positive price is used.

5) In the definition section, why is the Average daily £ per MW rate calculated by reference to figures for the financial year prior to that in which the interruption occurs?

The financial year prior to the year in which the interruption occurs is used because the values are known and finalised. If the values for the financial year in which the interruption occurs were used there is the possibility that the actual revenue collection (because of changing generator connection dates) is different to the forecast revenue forecast made at the start of the year (which the calculations would be based on) and consequentially render calculations using the current year's calculations incorrect.

4 Impacts

Impact on the CUSC

- 4.1 CMP217 requires amendments to the following parts of the CUSC:
- Section 11 [Interpretation and Definitions], specifically 'Interruption Payment' and 'Interruption Period' definitions.
- 4.2 The text required to give effect to this proposal is contained in Annex 1 of this document.

Impact on Greenhouse Gas Emissions

- 4.3 The proposer has not identified any material impacts on Greenhouse gas Emissions

Impact on Core Industry Documents

- 4.4 The proposer has not identified any impacts on Core Industry Documents.

Impact on other Industry Documents

- 4.5 The proposer has not identified any impacts on other Industry Documents.

Costs

| Industry costs (Standard CMP) | |
|-------------------------------|---|
| Resource costs | £2,723 – 1 Consultation <ul style="list-style-type: none">• 1.5 man days effort per consultation response• 3 consultation respondents |
| Total Industry Costs | £2,723 |

5 Proposed Implementation

- 5.1 Pending any appeals, CMP217 will be implemented 10 business days after the Self-Governance appeal window has closed. The appeal window closes on 16 April 2013 and the implementation date for CMP217 is 1 May 2013.
- 5.2 All respondents to the Code Administrator Consultation supported this approach.

Assessment against Applicable CUSC Objectives

6.1 For reference, the Applicable CUSC Objectives are:

- (a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;
- (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.
- (c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

National Grid Opinion

6.2 National Grid supports the implementation of CMP217 as it better facilitates the applicable CUSC objective (b) by improving the clarity of the CUSC text in relation to the Interruption Payment and Interruption Period definitions under Section 11, in that it will allow users, including those who may not be familiar with the calculations to more easily derive the materiality of any loss of access claims. CMP212 has introduced timeframes on users to submit claims and has introduced a minimum threshold value, users being more easily able to derive claim values will improve the efficiency of the CUSC process.

CUSC Modifications Panel View

6.3 At the meeting of the CUSC Modifications Panel on 22 March 2013, the Panel voted unanimously that CMP217 better facilitates the Applicable CUSC Objectives and so should be implemented. Details of the voting are set out in the tables below:

| Panel Member | Better facilitates ACO (a) | Better facilitates ACO (b)? | Better facilitates ACO (c)? | Overall (Y/N) |
|---------------------------|-------------------------------------|---|-----------------------------|---------------|
| Paul Jones | Yes, due to clarification provided. | Yes, due to improving the process. | Neutral. | Y |
| Paul Jones for Simon Lord | As above. | As above. | Neutral. | Y |
| James Anderson | Neutral. | Yes, as it enables the user to better quantify their entitlement to compensation. | Neutral. | Y |
| Ian Pashley | Neutral. | Yes, as above. | Neutral. | Y |
| Garth Graham | Neutral. | Yes, as above. | Neutral. | Y |
| Bob Brown | Neutral. | Yes, as above. | Neutral. | Y |
| Paul Mott | Yes, due to clarity. | Yes, as above. | Neutral. | Y |

7 Summary of Consultation Responses

7.1 There were 3 responses to the Code Administrator Consultation:

- EDF Energy
- SSE
- ScottishPower Generation and Energy Management

7.2 The response from each party is attached In Annex 4. The tables below show each respondent's response to the questions and, if appropriate, Code Administrator comments.

Table 1 - Question 1 Responses

| |
|--|
| <p>Q1. Do you believe that CMP217 better facilitates the Applicable CUSC Objectives? Please include your reasoning.</p> |
| <p>ScottishPower Generation and Energy Management Ltd Response: ScottishPower supports the Proposal and believes that it meets the Applicable CUSC Objective (b) in this instance. Updating the relevant sections of the CUSC to add clarity aids understanding of the Interruption Payment calculation and hence consistency of use across the industry</p> |
| <p>SSE Response: Subject to clarification of the point we raise below; namely that in the example shown in the consultation document units 3 and 4 are either still operating (or are free to operate) during the EDI interruption period up to 550MW then we agree that CMP217 does better facilitate applicable objective (b).</p> <p>However, if this is not the case then, in our view CMP217 would not appear to better facilitate objective (b) as it would seem to lead to generators not receiving the compensation due to them for loss of access to (i) the market and (ii) the transmission network.</p> |
| <p>EDF Response: EDF Energy welcomes National Grid's efforts to clarify the CUSC regarding relevant interruptions and what the interruption period and payment should be. We believe that it is an improvement to use formulae instead of text for calculating the Relevant Interruption period and payment. However, we believe it could be further improved by further clarifying the settlement periods that constitute the Relevant Interruption Period – see comments below in the legal text section.</p> <p>In this respect this modification better facilitates the relevant CUSC objective b) in facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity. However, we would like to see the legal text improved before it is sent to the CUSC panel for determination as a self-governance modification.</p> <p>In terms of applicable CUSC objective c) in complying with the Electricity Regulation and any other legally binding decision of the EU Commission and/or ACER, we agree it is not currently applicable as the EU Codes have not yet been implemented, However there are several European codes currently being developed which propose compensation for generators that are disconnected by the TSO. It would be useful for any further piecemeal changes to the Disconnection Compensation arrangements under the GB Codes to consider these EU proposals and any other market arrangements changes that may influence the period or level of interruption compensation.</p> |

Code Administrator Comment (on responses): SSE has raised a point of clarification on the example included in the document. We can confirm that unit 3 and 4, in the example, are free to continue to operate and hence only 250MW is impacted. The scenario used in the example was to illustrate the range of calculations involved and the principles behind them. The calculations could equally apply to a trip in which unit 3 and 4 are not impacted.

The Code Administrator agrees with EDF's view that changes to disconnection arrangements should consider any EU proposals impacting on GB Codes.

Table 2 - Question 2 Responses

| |
|---|
| Q2. Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. |
| ScottishPower Generation and Energy Management Ltd Response: Yes |
| SSE Response: We note the proposed implementation, as set out in Section 5 of the report, and we support this approach. |
| EDF Response: Yes but we would like to see a better more robust definition of the Interruption period as stated below before it is submitted to the CUSC panel for a decision as a self-governance modification. |
| Code Administrator Comment (on responses): Following discussion with the respondent (EDF), some minor changes have been proposed to the legal text, these may add further clarity. |

Table 3 - Question 3 Responses

| |
|--|
| Q3. Do you agree with the decision to progress CMP217 through the Self-governance route? |
| ScottishPower Generation and Energy Management Ltd Response: Yes |
| SSE Response: Subject to the clarification of the point we raise elsewhere in this response yes. However, if the clarification is 'no' (and units 3 and 4 are NOT able to operate up to 550MW during the (EDI) interruption period) then we would not agree that CMP217 meets the 'Self-Governance Criteria' as there would be a material impact on all generator users if CMP217 were implemented.. |
| EDF Response: Yes, however we believe it would have been useful to review it through the BSSG working group where this topic has been discussed and progressed over the last two years. This would have provided the users of that group an opportunity to test the formulae that has replaced the CUSC text with examples from their own disconnection experiences. This would also have identified any shortcomings of this modification or in the legal text such as those highlighted below. It would also have provided an opportunity to see if there were other parts of the CUSC, or other codes for that matter needed changing in line with this modification. For example, we believe the Emergency Instructions under the Grid Code, where EDIs emanate from and currently reside, should also change in light of this modification. For example, it is not clear under the Grid Code when an EI starts and when the period finishes as this is not stipulated under the Grid Code. We would encourage NG to avoid piecemeal changes to individual codes if possible and to consider them with the industry in a more holistic manner. We recognise the January CUSC panel rejected the opportunity to review this modification at a BSSG meeting however we would urge NG and other users to use existing workstreams for a round- |

table review going forward, even for self-governance modifications, to ensure the most efficient process is followed and minimise the need for further work and modifications

Code Administrator Comment (on responses): As noted above in the comment to question 1, the clarification of the example aligns with SSE support.

In respect to EDF's comment, the main outcomes from the BSSG have been progressed through CMP211 and CMP212. The scope of CMP217 is relatively narrow in that it only seeks to clarify the CUSC text and hence the reason it was recommended as a straight to consultation route modification.

Table 4 - Question 4 Responses

Q4 Do you have any comments on the proposed legal text?

ScottishPower Generation and Energy Management Ltd Response: No

SSE Response: n/a

EDF Response: Yes, in relation to the Relevant Interruption Period. While we believe the examples provided in the consultation published on the 31st January 2013 are clearer we believe they could be made clearer by better clarifying the Interruption Period – i.e. which is the first and last settlement period used to in the calculation? We have suggested some words below in bold.

j = Settlement Periods “starting with the period in which” the EDI was issued.....

Similarly the duration needs to clearly state when the last period ends. Something to the effect of.....
....and ends with the Settlement Period stipulated by The Company when the interruption should end.

Also, it is not clear from NG's legal text in their consultation whether the current definition of Interruption Period (below) will be removed. We believe it should as it may contradict or confuse the legal text changes presented.

“the period in days commencing with the notification by The Company to the Affected User of the start of Relevant interruption and ending on the notification by The Company (missing “to” here) the Affected User that the Relevant Interruption has ended;” (We note that the current wording is missing a “to” as highlighted above.)

At the same time we believe these changes and attempt at clarifying the CUSC in terms of Interruption compensation should apply to Emergency Interruptions also under the Grid Code where EDIs actually emanate from and currently reside. For example, the period of outage, where it starts and ends, is not clearly stipulated in the Grid Code. While it is clear it would be via a Bid/Offer Acceptance (BOA) it is not clear if this uses the BOA price when the instruction is given or when the period for which the user has been instructed to change its output by. It is also not clear that while the payment is for the gate (1.5 hour) closure period, when the affected user may come back to full output following the instruction.

Code Administrator Comment (on responses):

In response to EDF comments, as noted in response to question 2, following discussion with the respondent, some minor changes have been proposed to the legal text.

The EDF response questions if the current definition of Interruption Period will be removed, CMP217 is proposing to amend both the Interruption Payment and Interruption Period definitions. The revised Interruption Period definition was shown on page 22 on the Code Administrator Consultation.

The EDF comments refer to clarifying various elements of ‘Emergency Instructions’ , these reside

under the Grid Code and BSC and any modification would have to be undertaken under the relevant governance framework.

Table 5 - Question 5 Responses

| Q5 Do you have any other comments in relation to CMP217? |
|---|
| ScottishPower Generation and Energy Management Ltd Response: No |
| SSE Response: We have a comment regarding the example shown in Section 3 of the consultation document. Whilst useful, it would be helpful to clarify (in the example shown) that BMUs 3 and 4 are either (i) both operating at the time of the EDI (up to 550MW) or (ii) can both operate (up to 550MW) and thus would be unaffected by the EDI; i.e the overall station output would be up to 550MW (rather than 800MW, a 250MW reduction) during the (EDI) interruption period. Footnote 5 (on page 5) appears to suggest this. However, if both units 3 and 4 are NOT operating (or able to operate) due to the EDI itself then the figure of TEC affected (by the EDI) must be greater than 250MW; i.e. 400MW (units 1 and 2) or up to 800MW (all four units, so total station TEC). If this is the case then the compensation shown in Tables 1 and 2 would be incorrect (as its based on 250MW, rather than 400MW or 800MW). An EDI is given to a site because it is the only site able to respond (otherwise an EI is issued if other sites on the NETS can be used to address the emergency situation). Given that a site specific EDI has been issued to reduce output then if, according to the example shown in Section 3, the SO is seeking a 250MW reduction it could (should?) have instructed either unit 3 or unit 4 (not both) to come off as either would have provided 250MW of output reduction (and thus, presumably, relieved the emergency situation). However, in the example shown in Section 3 units 1 AND 2 are both instructed off, implying the SO actually requires greater than either 250MW (unit 3) or 300MW (unit 4) to be reduced. If this is the case then it is both fair and equitable that the generator is compensated for the capacity actually reduced (the output from units 1 AND 2 plus, potentially, units 3 and 4 – 800MW in total). |
| EDF Response: We note that this part of the CUSC may have to be further reviewed and changed to take into consideration any changes that Interconnectors face. For example we note that there was a modification that removed TNUoS from Interconnectors. The compensation arrangements under the CUSC may have to be changed in this regard and we would welcome a more holistic review if it was considered that Interconnectors should not be compensated for being interrupted. We believe this should be discussed under the BSSG working group as there are other considerations to take into account such as the disconnection compensation arrangements that are being proposed under the Electricity 3rd Packages Regulations. In this respect it may be worthwhile having a more holistic review of the disconnection compensation arrangements to ensure they are consistent, robust and in line with the latest market developments and thinking. |
| Code Administrator Comment (on responses): As noted above in the comment to question 1 the clarification of the example aligns with SSE support. The Code Administrator notes EDF comments. |

Annex 1 – Proposed legal text (changed marked)

Annex 1 contains the proposed change marked legal text for the Interruption Payment and Interruption Period definitions. The changes that are shown in purple are those made in response to comments received in the Code Administrator Consultation. Please note the Interruption Period definition is shown on page 23.

“Interruption Payment”

the payment for a **Relevant Interruption** calculated as follows:

- 1) In the case of a **Relevant Interruption** arising as a result of a **Planned Outage**:

In the case of an **Affected User** other than an **Interconnector Owner**,

$$i = n$$

$$\sum_{i = k} \text{Maximum (Average daily } \pounds \text{ per MW rate}_i, \text{ Actual daily } \pounds \text{ per MW rate}_i) * \text{Affected MW}_i$$

In the case of an **Affected User** who is an **Interconnector Owner**,

$$i = n$$

$$\sum_{i = k} \text{Average daily } \pounds \text{ per MW rate}_i * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where:

$i =$ calendar days

$k = 1$, representing the first calendar day associated with a **Relevant Interruption**.

$n =$ number of complete or part complete calendar days of a **Relevant Interruption**

- 2) In the case of a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**:

In the case of an **Affected User** other than an **Interconnector Owner**,

$$j = p$$

$$\sum_{j = 1} \text{System Buy Price}_j * 0.5 * \text{Affected MW}_j$$

Plus (if applicable)

$$j = m$$

$$\sum_{j = 4} \text{Market Price}_j * 0.5 * \text{Affected MW}_j$$

In the case of an **Affected User** who is an **Interconnector Owner**,

Deleted: each day or part thereof of the

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Deleted: the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**;

Deleted: A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system **Transmission Entry Capacity**, in each case using figures for the **Financial Year** prior to that in which the **Relevant Interruption** occurs, this is then divided by 365 to give a daily £ per MW rate; or

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B. the actual £ per MW of an **Affected User** by reference to the tariff in the **Use of System Charging Statement** for the **Financial Year** in which the **Relevant Interruption** occurs divided by 365 to give a daily £ per MW rate.¶
¶
A or B are then multiplied by:¶
¶

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b) in

Deleted: the MW specified in the **Transmission Entry Capacity** for the **Connection Site**.

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2.

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Deleted: (a) sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as¶ provided for in Section T 4.4.5 of the **Balancing and Settlement Code**) for¶ each **Settlement Period** (or part thereof) from the time when the **Emergency Deenergisation Instruction** was issued by **The Company** until the first **Settlement¶ Period** for which **Gate Closure** had not (at the time the **Emergency¶ Deenergisation Instruction** was issued by **The Company**) occurred¶ multiplied by:¶
¶

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(ii) in

Deleted: the MW specified in the **Transmission Entry Capacity** for the **Connection Site**.

$$\sum_{j=1}^p \text{System Buy Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

Plus (if applicable)

$$\sum_{j=4}^m \text{Market Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where:

j = Settlement Periods from the time when the Emergency Deenergisation Instruction was issued by The Company, with 1 representing the first Settlement Period.

m = The duration of the Relevant Interruption (being the Interruption Period), in Settlement Periods for which Gate Closure has not yet occurred (which shall be greater than 3, up to a maximum value of 48)

p = The duration of the Relevant Interruption in Settlement Periods for which Gate Closure has occurred (up to a maximum value of 3).

and after the first 24 hours of a Relevant Interruption a sum calculated as 1 above save that k shall be equal to 2.

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 (b) For each subsequent Settlement Period of the Relevant Interruption which occurs within the first 24 hours of the Relevant Interruption, a sum equal to the price in £/MWh for the relevant Settlement Period(s) (as provided for in Section T 1.5.3 of the Balancing and Settlement Code) multiplied by:¶
 ¶
 (i) in the case of an Affected User other than an Interconnector Owner the MW arrived at after deducting from the Transmission Entry Capacity for the Connection Site the sum of the Connection Entry Capacity of the unaffected BM Units at the Connection site; and¶
 ¶
 (ii) in the case of an Affected User who is an Interconnector Owner the MW specified in the Transmission Entry Capacity for the Connection Site; and¶
 ¶
 (c)
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3) In the case of all other Relevant Interruptions:

In the case of an Affected User other than an Interconnector Owner,

$$\sum_{j=1}^p \text{System Buy Price}_j * 0.5 * \text{Affected MW}_j$$

Plus (if applicable)

$$\sum_{j=4}^m \text{Market Price}_j * 0.5 * \text{Affected MW}_j$$

In the case of an Affected User who is an Interconnector Owner,

$$\sum_{j=1}^p \text{System Buy Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

Plus (if applicable)

$$\sum_{j=4}^m \text{Market Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where:

j = Settlement Periods from the start of the Relevant Interruption, with 1 representing the first Settlement Period.

Deleted: 3.
Deleted: For each Settlement Period of the Relevant Interruption which occurs within the first 24 hours of the Relevant Interruption, a sum equal to the price in £/MWh for the relevant Settlement Period(s) (as provided for in Section T 1.5.3 of the Balancing and Settlement Code),¶
 ¶
 Multiplied by:¶
 ¶
 a) in
Deleted: the MW arrived at after deducting from the Transmission Entry Capacity for the Connection Site the sum of the Connection Entry Capacity of the unaffected BM Units at the Connection Site; and
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 b) in
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m = The duration of the **Relevant Interruption** (being the **Interruption Period**), in **Settlement Periods** for which **Gate Closure** has not yet occurred (which shall be greater than 3, up to a maximum value of 48)

Deleted: i.e.

p = The duration of the **Relevant Interruption** in **Settlement Periods** for which **Gate Closure** has occurred (up to a maximum value of 3).

and after the first 24 hours of a **Relevant Interruption** a sum calculated in accordance with paragraph 1 above, save that k shall be equal to 2.

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Provided always that an **Affected User** shall not receive payment in respect of more than one **Relevant Interruption** for the same period.

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4. In the event of the relevant **Market Price** being zero then for purpose of paragraphs 2 or 3 above the **Market Price** shall be deemed to be the most recent preceding positive price.

Throughout this definition of **Interruption Payment**:

Average daily £ per MW rate = (TNUoS income derived from generators/ total system **Transmission Entry Capacity**) / 365, calculated by reference in each case to figures for the **Financial Year** prior to that in which the **Relevant Interruption** occurs to give a daily £ per MW rate;

Actual daily £ per MW rate = (Annual TNUoS charge of an **Affected User** for the **Financial Year** / **Transmission Entry Capacity** for the **Connection Site**) / 365 calculated by reference to the tariff in the **Statement of Use of System Charges** for the **Financial Year** in which the **Relevant Interruption** occurs;

Affected MW = the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**;

System Buy Price is as defined in the **Balancing and Settlement Code**;

Market Price is as defined in the **Balancing and Settlement Code**.

(a) sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as provided for in Section T 4.4.5 of the **Balancing and Settlement Code**) for each **Settlement Period** (or part thereof) from the time when the **Emergency Deenergisation Instruction** was issued by **The Company** until the first **Settlement Period** for which **Gate Closure** had not (at the time the **Emergency Deenergisation Instruction** was issued by **The Company**) occurred multiplied by:

(i) in

the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**; and

“Interruption Period”

For a **Planned Outage**, shall mean the period in whole calendar days commencing with the notification of the **Affected User** by **The Company** of the start of **Relevant Interruption** and ending on the notification of the **Affected User** by **The Company** that the **Relevant Interruption** has ended;

Deleted: to the affected User

Deleted: by The Company

For a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**, shall mean the period from the start of the **Settlement Period** in which **The Company** gave notification to the **Affected User** of the start of such **Relevant Interruption**, until the end of the **Settlement Period** in respect of which **The Company** gave notification to the **Affected User** by **The Company** that the **Relevant Interruption** has ended which shall be measured in:

Deleted: by The Company

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- i) whole **Settlement Periods** for the first 24 hours from the time of notification by **The Company** to the **Affected User** of the start of such **Relevant Interruption**; and
- ii) whole calendar days for any time after the first 24 hour period referred to in i) above.

In the case of all other **Relevant Interruptions** the duration, shall mean the period from the start of such **Relevant Interruption** which shall be measured in:

- i) whole **Settlement Periods** for the first 24 hours from the start of such **Relevant Interruption**; and
- ii) whole calendar days for any time after the first 24 hour period referred to in i) above.

Annex 2 – Proposed legal text (not changed marked)

Annex 2 contains the proposed legal text for the Interruption Payment and Interruption Period definitions. Please note the Interruption Period definition is shown on page 27.

“Interruption Payment”

the payment for a **Relevant Interruption** calculated as follows:

- 1) In the case of a **Relevant Interruption** arising as a result of a **Planned Outage**;

In the case of an **Affected User** other than an **Interconnector Owner**

$$i = n$$

$$\sum_{i = k} \text{Maximum (Average daily £ per MW rate}_i, \text{Actual daily £ per MW rate}_i) * \text{Affected MW}_i$$

In the case of an **Affected User** who is an **Interconnector Owner**

$$i = n$$

$$\sum_{i = k} \text{Average daily £ per MW rate}_i * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where:

i = calendar days

$k = 1$, representing the first calendar day associated with a **Relevant Interruption**.

n = number of complete or part complete calendar days of a **Relevant Interruption**

- 2) In the case of a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**:

In the case of an **Affected User** other than an **Interconnector Owner**

$$j = p$$

$$\sum_{j = 1} \text{System Buy Price}_j * 0.5 * \text{Affected MW}_j$$

Plus (if applicable)

$$j = m$$

$$\sum_{j = 4} \text{Market Price}_j * 0.5 * \text{Affected MW}_j$$

In the case of an **Affected User** who is an **Interconnector Owner**

$$j = p$$

$$\sum_{j = 1} \text{System Buy Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

Plus (if applicable)

$$j = m$$

$$\sum_{j=4} \text{Market Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where;

j = **Settlement Periods** from the time when the **Emergency Deenergisation Instruction** was issued by **The Company**, with 1 representing the first **Settlement Period**.

m = The duration of the **Relevant Interruption** (being the **Interruption Period**), in **Settlement Periods** for which **Gate Closure** has not yet occurred (which shall be greater than 3, up to a maximum value of 48)

p = The duration of the **Relevant Interruption** in **Settlement Periods** for which **Gate Closure** has occurred (up to a maximum value of 3).

and after the first 24 hours of a Relevant Interruption a sum calculated as 1 above save that k shall be equal to 2.

3) In the case of all other Relevant Interruptions:

In the case of an **Affected User** other than an **Interconnector Owner**

$$j = p$$

$$\sum_{j=1} \text{System Buy Price}_j * 0.5 * \text{Affected MW}_j$$

Plus (if applicable)

$$j = m$$

$$\sum_{j=4} \text{Market Price}_j * 0.5 * \text{Affected MW}_j$$

In the case of an **Affected User** who is an **Interconnector Owner**

$$j = p$$

$$\sum_{j=1} \text{System Buy Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

Plus (if applicable)

$$j = m$$

$$\sum_{j=4} \text{Market Price}_j * 0.5 * \text{MW specified as the Transmission Entry Capacity for the Connection Site}$$

where;

j = **Settlement Periods** from the start of the **Relevant Interruption**, with 1 representing the first **Settlement Period**.

m = The duration of the **Relevant Interruption** (being the **Interruption Period**), in **Settlement Periods** for which **Gate Closure** has not yet occurred (which shall be greater than 3, up to a maximum value of 48)

p = The duration of the **Relevant Interruption** in **Settlement Periods** for which **Gate Closure** has occurred (up to a maximum value of 3).

and after the first 24 hours of a **Relevant Interruption** a sum calculated in accordance with paragraph 1 above save that k shall be equal to 2.

Provided always that an **Affected User** shall not receive payment in respect of more than one **Relevant Interruption** for the same period.

4. In the event of the relevant **Market Price** being zero then for purpose of paragraphs 2 or 3 above the **Market Price** shall be deemed to be the most recent preceding positive price.

Throughout this definition of **Interruption Payment**:

Average daily £ per MW rate = (TNUoS income derived from generators/ total system **Transmission Entry Capacity**) / 365, calculated by reference in each case to figures for the **Financial Year** prior to that in which the **Relevant Interruption** occurs to give a daily £ per MW rate;

Actual daily £ per MW rate = (Annual TNUoS charge of an **Affected User** for the **Financial Year** / **Transmission Entry Capacity** for the **Connection Site**) / 365 calculated by reference to the tariff in the **Statement of Use of System Charges** for the **Financial Year** in which the **Relevant Interruption** occurs;

Affected MW = the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**;

System Buy Price is as defined in the **Balancing and Settlement Code**;

Market Price is as defined in the **Balancing and Settlement Code**.

“Interruption Period”

For a **Planned Outage**, shall mean the period in whole calendar days commencing with the notification of the **Affected User** by **The Company** of the start of **Relevant Interruption** and ending on the notification of the **Affected User** by **The Company** that the **Relevant Interruption** has ended;

For a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**, shall mean the period from the start of the **Settlement Period** in which **The Company** gave notification to the **Affected User** of the start of such **Relevant Interruption**, until the end of the **Settlement Period** in respect of which **The Company** gave notification to the **Affected User** by **The Company** that the **Relevant Interruption** has ended which shall be measured in:

- i) whole **Settlement Periods** for the first 24 hours from the time of notification by **The Company** to the **Affected User** of the start of such **Relevant Interruption**; and
- ii) whole calendar days for any time after the first 24 hour period referred to in i) above.

In the case of all other **Relevant Interruptions** the duration, shall mean the period from the start of such **Relevant Interruption** which shall be measured in:

- i) whole **Settlement Periods** for the first 24 hours from the start of such **Relevant Interruption**; and
- ii) whole calendar days for any time after the first 24 hour period referred to in i) above.

Annex 3 – Modification Proposal

| | |
|---|---------------|
| CUSC Modification Proposal Form | CMP217 |
| Title of the CUSC Modification Proposal: <i>(mandatory by Proposer)</i> Clarification of the CUSC ‘Interruption Payment’ and ‘Interruption Period’ definitions | |
| Submission Date <i>(mandatory by Proposer)</i> 17 January 2013 | |
| Description of the CUSC Modification Proposal <i>(mandatory by Proposer)</i> <p>This modification 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.</p> <p>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.</p> <p>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.</p> | |
| Description of Issue or Defect that CUSC Modification Proposal seeks to Address: <i>(mandatory by Proposer)</i> <p>The CUSC Panel has approved CMP212, under the self-governance process, with an implementation date of 24th January 2013. CMP212 will set out a more robust process in relation to loss of transmission access claims, introducing time limits for users to submit claims and for National Grid to investigate claims.</p> <p>The process for calculation of loss transmission access claims are set out in Section 11 of the CUSC under the definition of ‘Interruption Payments’. Currently, the calculations can be difficult to follow. This modification proposes to clarify the ‘Interruption Payment’ definition such that it is easier for a third party, who is unfamiliar with the payment calculations to calculate the values involved. The modification will also clarify the ‘Interruption Period’ definition so that it is clearer as to what the period of payment is.</p> <p>The modification will allow a user to more easily work out the materiality of any loss of transmission access claim and assist in the efficiency of the loss of transmission access claims process introduced under CMP212.</p> | |
| Impact on the CUSC <i>(this should be given where possible)</i> <p>Clarification of the ‘Interruption Payment’ and Interruption Period’ definitions under the CUSC (Section 11).</p> | |

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes/No (mandatory by Proposer. Assessed in accordance with Authority Guidance – see guidance notes for website link)

No

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information (this should be given where possible)

None

BSC

Grid Code

STC

Other
(please specify)

Urgency Recommended: Yes / No (optional by Proposer)

No

Justification for Urgency Recommendation (mandatory by Proposer if recommending progression as an Urgent Modification Proposal)

n/a

Self-Governance Recommended: Yes / No (mandatory by Proposer)

Yes

Justification for Self-Governance Recommendation (Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)

Self-Governance is the preferred route for this modification because it is not introducing a significant change into the CUSC but simply clarifying definitions in order to make calculations easier to follow. The basis for the calculations will not change; they will be set out in a more logical format.

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews? (Mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)

Yes

Impact on Computer Systems and Processes used by CUSC Parties: (this should be given where possible)

None

Details of any Related Modification to Other Industry Codes (where known):

n/a

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

(mandatory by proposer)

Please tick the relevant boxes and provide justification:

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.

The modification will allow users, including those who may not be familiar with the calculations, to more easily derive the materiality of any loss of access claims.

(c) 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

| | |
|---|---|
| Details of Proposer: (Organisation Name) | National Grid |
| Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council") | CUSC Party |
| Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address: | Tariq Hakeem National Grid 01926 655 439 tariq.hakeem@nationalgrid.com |
| Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address: | Shafqat Ali National Grid 01926 655980 |

Attachments (Yes/No): Yes
If Yes, Title and No. of pages of each Attachment:

Attached: Authority CAP48 and CAP144 decision letters.



C:\01 Electricity



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Codes\02 CAP48 RevCodes\02 CAP48 Rev

Attached: Legal text for proposed revised Section 11 changes



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Codes\02 CAP48 Rev

Attached: Section 11 text after the implementation of CMP211 on 24th January 2013 i.e. prior to the changes proposed by this modification



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Codes\02 CAP48 Rev

Annex 4 – Consultation Responses

There were three responses to the consultation, they are shown below.

CUSC Code Administrator Consultation Response Proforma

CMP217 – Clarification of the CUSC ‘Interruption Payment’ and ‘Interruption Period’ definitions.

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **17.00 on 28 February 2013** to cusc.team@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | Martin McDonald martin.mcdonald@uk.ibm.com 01355 35 2761 |
| Company Name: | IBM (UK) Ltd for and on behalf of ScottishPower Generation and Energy Management Ltd |
| Do you believe that CMP217 better facilitates the Applicable CUSC Objectives? Please include your reasoning. | <p>For reference, the Applicable CUSC Objectives are:</p> <p>(a) <i>the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;</i></p> <p>(b) <i>facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</i></p> <p>(c) <i>compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p>ScottishPower supports the Proposal and believes that it meets the Applicable CUSC Objective (b) in this instance. Updating the relevant sections of the CUSC to add clarity aids understanding of the Interruption Payment calculation and hence consistency of use across the industry.</p> |
| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | Yes |
| Do you agree with the decision to progress CMP217 through the Self-governance route? | Yes |

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| Do you have any comments on the proposed legal text? | No. |
| Do you have any other comments in relation to CMP217? | No. |

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Please send your responses by **17.00 on 28 February 2013** to cusc.team@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

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| Respondent: | <i>Garth Graham (garth.graham@sse.com)</i> |
| Company Name: | <i>SSE</i> |
| Do you believe that CMP217 better facilitates the Applicable CUSC Objectives? Please include your reasoning. | <p>For reference, the Applicable CUSC Objectives are:</p> <p><i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;</i></p> <p><i>(b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.</i></p> <p><i>(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.</i></p> <p>Subject to clarification of the point we raise below; namely that in the example shown in the consultation document units 3 and 4 are either still operating (or are free to operate) during the EDI interruption period up to 550MW then we agree that CMP217 does better facilitate applicable objective (b).</p> <p>However, if this is not the case then, in our view CMP217 would not appear to better facilitate objective (b) as it would seem to lead to generators not receiving the compensation due to them for loss of access to (i) the market and (ii) the transmission network.</p> |
| Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible. | We note the proposed implementation, as set out in Section 5 of the report, and we support this approach. |
| Do you agree with the decision to progress CMP217 | Subject to the clarification of the point we raise elsewhere in this |

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| <p>through the Self-governance route?</p> | <p>response yes.</p> <p>However, if the clarification is 'no' (and units 3 and 4 are NOT able to operate up to 550MW during the (EDI) interruption period) then we would not agree that CMP217 meets the 'Self-Governance Criteria' as there would be a material impact on all generator users if CMP217 were implemented.</p> |
| <p>Do you have any comments on the proposed legal text?</p> | |
| <p>Do you have any other comments in relation to CMP217?</p> | <p>We have a comment regarding the example shown in Section 3 of the consultation document.</p> <p>Whilst useful, it would be helpful to clarify (in the example shown) that BMUs 3 and 4 are either (i) both operating at the time of the EDI (up to 550MW) or (ii) can both operate (up to 550MW) and thus would be unaffected by the EDI; i.e the overall station output would be up to 550MW (rather than 800MW, a 250MW reduction) during the (EDI) interruption period. Footnote 5 (on page 5) appears to suggest this.</p> <p>However, if both units 3 and 4 are NOT operating (or able to operate) due to the EDI itself then the figure of TEC affected (by the EDI) must be greater than 250MW; i.e. 400MW (units 1 and 2) or up to 800MW (all four units, so total station TEC).</p> <p>If this is the case then the compensation shown in Tables 1 and 2 would be incorrect (as its based on 250MW, rather than 400MW or 800MW).</p> <p>An EDI is given to a site because it is the only site able to respond (otherwise an EI is issued if other sites on the NETS can be used to address the emergency situation).</p> <p>Given that a site specific EDI has been issued to reduce output then if, according to the example shown in Section 3, the SO is seeking a 250MW reduction it could (should?) have instructed either unit 3 or unit 4 (not both) to come off as either would have provided 250MW of output reduction (and thus, presumably, relieved the emergency situation).</p> <p>However, in the example shown in Section 3 units 1 AND 2 are both instructed off, implying the SO actually requires greater than either 250MW (unit 3) or 300MW (unit 4) to be reduced.</p> <p>If this is the case then it is both fair and equitable that the generator is compensated for the capacity actually reduced (the output from units 1 AND 2 plus, potentially, units 3 and 4 – 800MW in total).</p> |

CUSC Code Administrator Consultation Response Proforma

CMP217 – Clarification of the CUSC ‘Interruption Payment’ and ‘Interruption Period’ definitions.

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **17.00 on 28 February 2013** to consultation@cusc.gov.uk Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

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| Respondent: | John Costa |
| Company Name: | EDF Energy |
| Do you believe that CMP217 better facilitates the Applicable CUSC Objectives? Please include your reasoning. | <p>EDF Energy welcomes National Grid’s efforts to clarify the CUSC regarding relevant interruptions and what the interruption period and payment should be. We believe that it is an improvement to use formulae instead of text for calculating the Relevant Interruption period and payment. However, we believe it could be further improved by further clarifying the settlement periods that constitute the Relevant Interruption Period – see comments below in the legal text section.</p> <p>In this respect this modification better facilitates the relevant CUSC objective b) in facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity. However, we would like to see the legal text improved before it is sent to the CUSC panel for determination as a self-governance modification.</p> <p>In terms of applicable CUSC objective c) in complying with the Electricity Regulation and any other legally binding decision of the EU Commission and/or ACER, we agree it is not currently applicable as the EU Codes have not yet been implemented, However there are several European codes currently being developed which propose compensation for generators that are disconnected by the TSO. It would be useful for any further piecemeal changes to the Disconnection Compensation arrangements under the GB Codes to consider these EU proposals and any other market arrangements changes that may influence the period or level of interruption compensation.</p> |

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| <p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p> | <p>Yes but we would like to see a better more robust definition of the Interruption period as stated below before it is submitted to the CUSC panel for a decision as a self-governance modification.</p> |
| <p>Do you agree with the decision to progress CMP217 through the Self-governance route?</p> | <p>Yes, however we believe it would have been useful to review it through the BSSG working group where this topic has been discussed and progressed over the last two years. This would have provided the users of that group an opportunity to test the formulae that has replaced the CUSC text with examples from their own disconnection experiences. This would also have identified any shortcomings of this modification or in the legal text such as those highlighted below.</p> <p>It would also have provided an opportunity to see if there were other parts of the CUSC, or other codes for that matter needed changing in line with this modification. For example, we believe the Emergency Instructions under the Grid Code, where EDIs emanate from and currently reside, should also change in light of this modification. For example, it is not clear under the Grid Code when an EI starts and when the period finishes as this is not stipulated under the Grid Code. We would encourage NG to avoid piecemeal changes to individual codes if possible and to consider them with the industry in a more holistic manner.</p> <p>We recognise the January CUSC panel rejected the opportunity to review this modification at a BSSG meeting however we would urge NG and other users to use existing workstreams for a round-table review going forward, even for self-governance modifications, to ensure the most efficient process is followed and minimise the need for further work and modifications.</p> |
| <p>Do you have any comments on the proposed legal text?</p> | <p>Yes, in relation to the Relevant Interruption Period. While we believe the examples provided in the consultation published on the 31st January 2013 are clearer we believe they could be made clearer by better clarifying the Interruption Period – i.e. which is the first and last settlement period used to in the calculation? We have suggested some words below in bold.</p> <p>j = Settlement Periods “starting with the period in which” the EDI was issued.....</p> <p>Similarly the duration needs to clearly state when the last period ends. Something to the effect of.....</p> <p>....and ends with the Settlement Period stipulated by The Company when the interruption should end.</p> <p>Also, it is not clear from NG’s legal text in their consultation</p> |

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| | <p>whether the current definition of Interruption Period (below) will be removed. We believe it should as it may contradict or confuse the legal text changes presented.</p> <p><i>“the period in days commencing with the notification by The Company to the Affected User of the start of Relevant interruption and ending on the notification by The Company (missing “to” here) the Affected User that the Relevant Interruption has ended;”</i> (We note that the current wording is missing a “to” as highlighted above.)</p> <p>At the same time we believe these changes and attempt at clarifying the CUSC in terms of Interruption compensation should apply to Emergency Interruptions also under the Grid Code where EDIs actually emanate from and currently reside. For example, the period of outage, where it starts and ends, is not clearly stipulated in the Grid Code. While it is clear it would be via a Bid/Offer Acceptance (BOA) it is not clear if this uses the BOA price when the instruction is given or when the period for which the user has been instructed to change its output by. It is also not clear that while the payment is for the gate (1.5 hour) closure period, when the affected user may come back to full output following the instruction.</p> |
| <p>Do you have any other comments in relation to CMP217?</p> | <p>We note that this part of the CUSC may have to be further reviewed and changed to take into consideration any changes that Interconnectors face. For example we note that there was a modification that removed TNUoS from Interconnectors. The compensation arrangements under the CUSC may have to be changed in this regard and we would welcome a more holistic review if it was considered that Interconnectors should not be compensated for being interrupted. We believe this should be discussed under the BSSG working group as there are other considerations to take into account such as the disconnection compensation arrangements that are being proposed under the Electricity 3rd Packages Regulations.</p> <p>In this respect it may be worthwhile having a more holistic review of the disconnection compensation arrangements to ensure they are consistent, robust and in line with the latest market developments and thinking.</p> |