AMENDMENT REPORT

CUSC Proposed Amendment CAP097

Revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP097

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I DOCUMENT CONTROL

a National Grid Document Control

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0.1		National Grid	Draft for internal comment
0.2	23/01/06	National Grid	Draft for industry comment
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1.0	13/03/06	National Grid	Formal version for submission to the Authority

b Document Location

National Grid Website:

www.nationalgrid.com/uk/Electricity/Codes/

c Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

1.1 CAP097 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 29th July 2005 meeting of the CUSC Panel. The Amendments Panel determined that the issue should be considered by a Working Group for 3 months. The Working Group Report was submitted to the CUSC Amendments Panel for consideration at their meeting on 28th October 2005. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.

1.2 The initial period of industry consultation closed on 12th December 2005 and through the responses to the consultation a total of six Consultation Alternative Amendment (CAA) proposals were raised. A further period of consultation was undertaken on these CAAs commencing on 23rd December and closing on 11th January 2006.

1.3 CAP097 proposes to amend CUSC 6.5 in order to clarify the process to be followed by a Distribution Network Operator (DNO) and National Grid prior to the energisation of a Small or Medium Power Station that is embedded within the DNO's network. The aim of the process would be to identify before energisation whether the Embedded Power Station has a significant system effect upon the GB Transmission System. Such an effect may be caused by the Embedded Power Station in isolation or through a cumulative effect of a number of Embedded Power Stations connecting in a locality. Should the process identify that the Embedded Power Station would trigger transmission reinforcement works, National Grid and the host DNO would enter into a Construction Agreement for the relevant works. The DNO would also undertake not to energise the Embedded Power Stations connection until such transmission works were completed.

1.4 The first Working Group Alternative (WGAA1), was proposed by CE Electric (on behalf of the CUSC parties NEDL and YEDL). WGAA1 proposes to remove the requirement for a Statement of Works, and associated direct costs and indirect liabilities. Instead, it envisages the host DNO simply informing National Grid of any potential Medium Power Station connections within its distribution network. National Grid again would be responsible for establishing if the embedded generator connection had an impact upon the GB Transmission System. Should National Grid identify that the Medium Power Station has an impact upon the transmission system National Grid would be responsible for progressing the requisite works, while the Host DNO would agree not to energise the relevant Embedded Medium Power Station's connection until such time as National Grid had confirmed to the DNO that the works had been completed.

1.5 The second Working Group Alternative (WGAA2), was proposed jointly by United Utilities and CE Electric and is based upon the original amendment. It does not attempt to significantly amend the process contained within the original amendment, however it does seek to amend the timescales over which that process takes place. WGAA2 has been submitted without prejudice to CE Electric's or United Utilities' views upon the original amendment proposal.

1.6 The first Consultation Alternative Amendment (CAA1) was proposed by CE Electric. It builds upon WGAA1 that it had previously proposed and seeks to

mitigate some of the concerns expressed within the original CAP097 consultation regarding the timescales in which any Transmission Works would be carried out under WGAA1. Put simply, CAA1 would follow the process set out in WGAA1. However it would require National Grid, should it identify that Transmission Reinforcement Works are triggered by the Embedded Power Station, to draw up a timetable for the completion of those works within 90 days of the original notification from the DNO that the Embedded Medium Power Station intends to connect. It would also require National Grid to notify the DNO of any subsequent changes to this timetable.

1.7 EdF Energy has proposed CAA2 in response to their concerns with WGAA2. EdF believe that the compulsory notification of the connection of new Embedded Power Stations should be restricted to Embedded Medium Power Stations only, although an option for the host DNO to notify National Grid of any Embedded Small Power Stations is retained. Also EdF Energy have proposed that a Modification Application should only be taken forward as a result of a Request for a Statement of Works if there is a positive indication from the DNO. Therefore if there is no positive indication within 90 Business Days of National Grid confirming that works are required under the CAP097 original process then the process would automatically cease.

1.8 SP Transmission and Distribution have proposed CAA3 in response to the concerns they have expressed in their response to the CAP097 consultation. CAA3 is based upon WGAA2 and modifies that process in the following ways:

- In line with a set of proposals currently being debated at the Regional Differences Working Group, SP Transmission and Distribution proposes that the process should capture only Medium Power Stations above 50MW and that in effect Medium Power Stations in Scotland would not need to be compulsorily notified. The DNO retains an option to notify National Grid about Medium Power Stations under 50MW should the DNO believe they would have a significant system effect on the GB Transmission System.
- There would also be no compulsory notification of Embedded Small Power Stations under CAA3 although the host DNO would retain the option to notify National Grid of any Embedded Small Power Stations it believed to have a significant system effect upon the GB Transmission System.

1.9 National Grid has also proposed three Consultation Alternative Amendments. Given the recent Authority decision on CAP105 that has seen references to “NGC” within the CUSC be replaced by “The Company”, Consultation Alternative Amendments CAA4 to CAA6 replicate both CAP097 original (CAA4), WGAA1 (CAA5) and WGAA2 (CAA6) with any reference to “NGC” replaced by “The Company”.

National Grid Recommendation

1.10 National Grid supports Consultation Alternative Amendment 4, which is in effect CAP097 original adjusted to account for the recent Authority decision on CAP105: National Grid Name Change. National Grid believes that this Alternative Amendment best facilitates the Applicable CUSC objectives out of all the variants of CAP097 that have been proposed throughout the assessment and consultation process. National Grid does believe that other variants of CAP097 that have been developed also better facilitate the Applicable CUSC Objectives, but do so to a lesser extent that CAA4. National Grid’s detailed views on each of the variants of CAP097 can be found in section 5 of this document.

Amendments Panel Recommendation

1.11 The CUSC Amendments Panel Recommendation Vote on CAP097 was conducted at the Panel Meeting on 24th February 2006. On the question of whether CAP097 would BETTER facilitate achievement of the Applicable CUSC Objectives, the Panel majority vote was as follows:

Original Proposal	- NO
WGAA1	- YES
WGAA2	- YES
CAA1	- YES
CAA2	- YES
CAA3	- NO
CAA4	- NO
CAA5	- YES
CAA6	- YES

The Panel recommends that the version of CAP097 that would BEST facilitate achievement of the Applicable CUSC Objectives is CAA1.

1.12 In accordance with paragraph 8.20.2 (g) of the CUSC, the Panel was also required to determine the implementation date for CAP097. The Panel recommends that WGAA1, CAA1 and CAA5 should be implemented 10 business days after the Authority's decision. For the Original Proposal, WGAA2, CAA2, CAA3, CAA4 and CAA6, the Panel recommends implementation 30 days after the Authority's decision.

2.0 PURPOSE AND INTRODUCTION

2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State. It addresses issues relating to the energisation of Small and Medium Embedded Power Stations under the CUSC.

2.2 Further to the submission of Amendment Proposal CAP097 (see Annex 2) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority ("the Authority") in order to assist them in their decision whether to implement Amendment Proposal CAP097.

2.3 CAP097 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 29th July 2005 meeting of the CUSC Panel. The Amendments Panel determined that the issue should be considered by a Working Group for 3 months. The Working Group Report was submitted to the CUSC Amendments Panel for consideration at their meeting on 28th October 2005. The Amendments Panel determined that the issue was appropriate to proceed to wider industry consultation by National Grid.

2.4 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been also been included and a 'summary' of the

representations received is also provided. Copies of each of the responses to the consultation are included as Annex 3 to this document.

2.5 This Amendment 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/.

3.0 PROPOSED AMENDMENT

3.1 CUSC 6.5.1 currently prohibits a User who owns or operates a Distribution System from energising an Embedded Power Station until such Embedded Power Station has in place that appropriate agreement with National Grid. CAP097 has been proposed by National Grid in respect of Small and Medium Embedded Power Stations and recognises that not all Embedded Power Stations will have a Bilateral Agreement with National Grid.

3.2 CAP097 consists of the following key elements:

- Drafting to allow any Transmission Works triggered by an Embedded Medium Power Station or certain Embedded Small Power Stations to be identified through a "Request for a Statement of Works".
- Drafting to prevent a DNO from energising an Embedded Medium Power Station or certain Embedded Small Power Stations until National Grid has confirmed it has completed any identified Transmission Works
- Where Transmission Works are necessary, drafting to allow the DNO to provide financial security for Final Sums through the construction phase of any Transmission Works.

Applicability of the Amendment Proposal

3.3 The amendment proposal has been structured such that it is applicable to all Embedded Medium Power Stations. The applicability to Small Power Stations is more restricted reflecting the lesser individual impact of Small Power Stations but recognising that the cumulative impact of such Small Power Stations means that some form of assessment is, in National Grid's view, warranted. CAP097 is therefore applicable only to Embedded Small Power Stations connected to the same voltage level as the LV side of the relevant Grid Supply Point and to those that are greater that 30 MW.

3.4 As the definitions of Small, Medium and Large Power Stations varies by Transmission Area the following table summarises the applicability of CAP097:

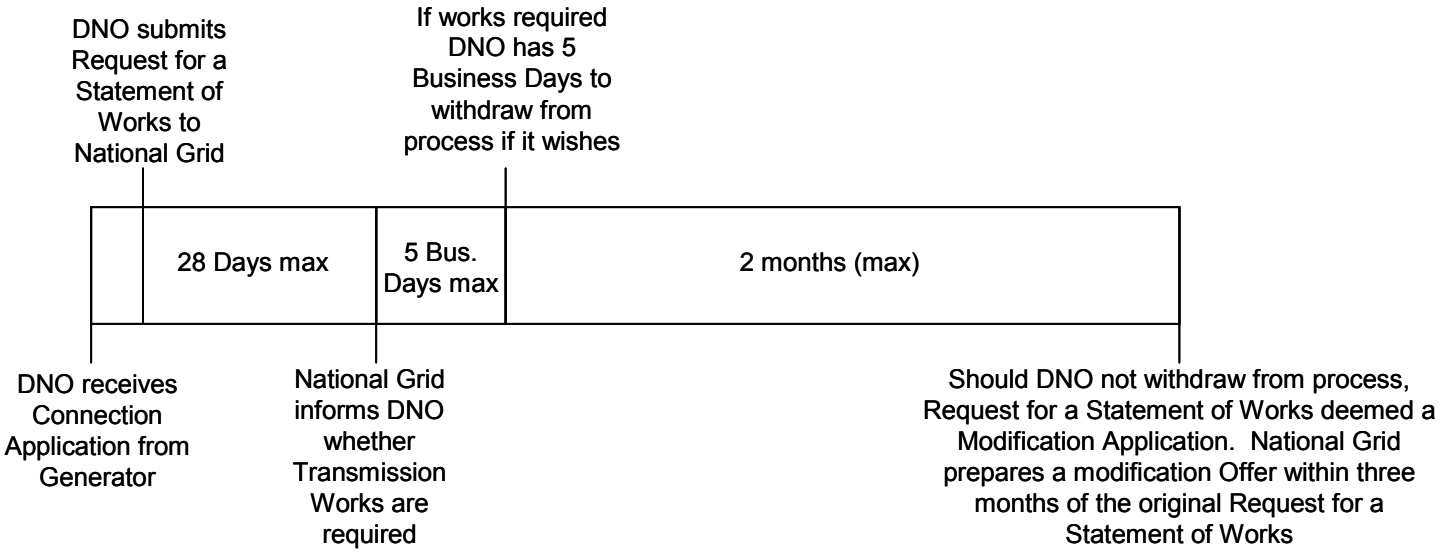
Transmission Area	Medium Power Stations	Small Power Stations
National Grid	**APPLICABLE** CAP097 applicable to all Medium Power Stations	**APPLICABLE** CAP097 applicable to any Small Power Station that is a) 30MW and above in Capacity; AND b) connected to the same voltage as the LV side of the relevant GSP

Transmission Area	Medium Power Stations	Small Power Stations
SP Transmission	**APPLICABLE** CAP097 applicable to all Medium Power Stations	**NOT APPLICABLE** All Small Power Stations in SPT's Transmission Area are less than 30MW in capacity
Scottish Hydro-Electric Transmission	**NOT APPLICABLE** No Medium Power Stations exist in SHETL's Transmission Area	**NOT APPLICABLE** All Small Power Stations in SHETL's Transmission Area are less than 30MW in capacity

3.5 The CAP097 original amendment also allows for a DNO to initiate the CAP097 process regardless of the size of the embedded power station. This is discretionary on the part of the DNO however.

CAP097 Process and Timescales.

3.6 An overview of the CAP097 process is as follows:



3.7 The process has been structured as shown above as a result of the Working Group discussions. Through these discussions a number of issues were identified (section 11 below contains further details). Of the issues discussed it was felt appropriate that:

- The process should allow the DNO to produce its connection offer to the Embedded Power Station within the timescales specified in it's distribution licence
- The process should allow for an embedded generator to withdraw from the CAP097 process before it incurs significant costs as a result of National Grid activities.

3.8 To address these two issues the overall CAP097 process has been designed to take no longer than 3 months. The aim is that this would allow the DNO to produce its connection offer to the embedded generator within the timescales required by its distribution license in the large majority of cases.

3.9 Should Transmission Works be required an amount of credit cover in the form of security for Final Sums would be provided by the DNO. Should the DNO then pass this financial risk to the embedded generator there is a chance that the economics of the project may change such that the embedded generator developer wishes to explore alternatives. In order that this can take place before any significant expenditure occurs a break point has been incorporated into the process. This five-day period allows the DNO to consult with the embedded generator to confirm that the generator wishes to proceed. The period has been kept at five days so as not to prejudice the overall 3-month timeframe.

4.0 ALTERNATIVE AMENDMENT

Working Group Alternatives

4.1 The Working Group developed and discussed two Working Group Alternative Amendments and these proposals and discussions are set out below.

Working Group Alternative Amendment 1 (WGAA1) proposed by CE Electric (on behalf of its subsidiaries and CUSC parties NEDL & YEDL).

4.2 Working Group Alternative Amendment 1 has the following key attributes when compared with the original amendment proposal:

- It removes references to small power stations, which in the view of its proposer is consistent with the Grid Code proposals on Licence Exempt Embedded Medium Power Stations (LEEMPS);
- It restricts site-specific requirements for Medium Power Stations to those required under Grid Code, consistent with LEEMPS; and
- It deletes the statement of works, relying instead on an advisory exchange between National Grid and DNOs

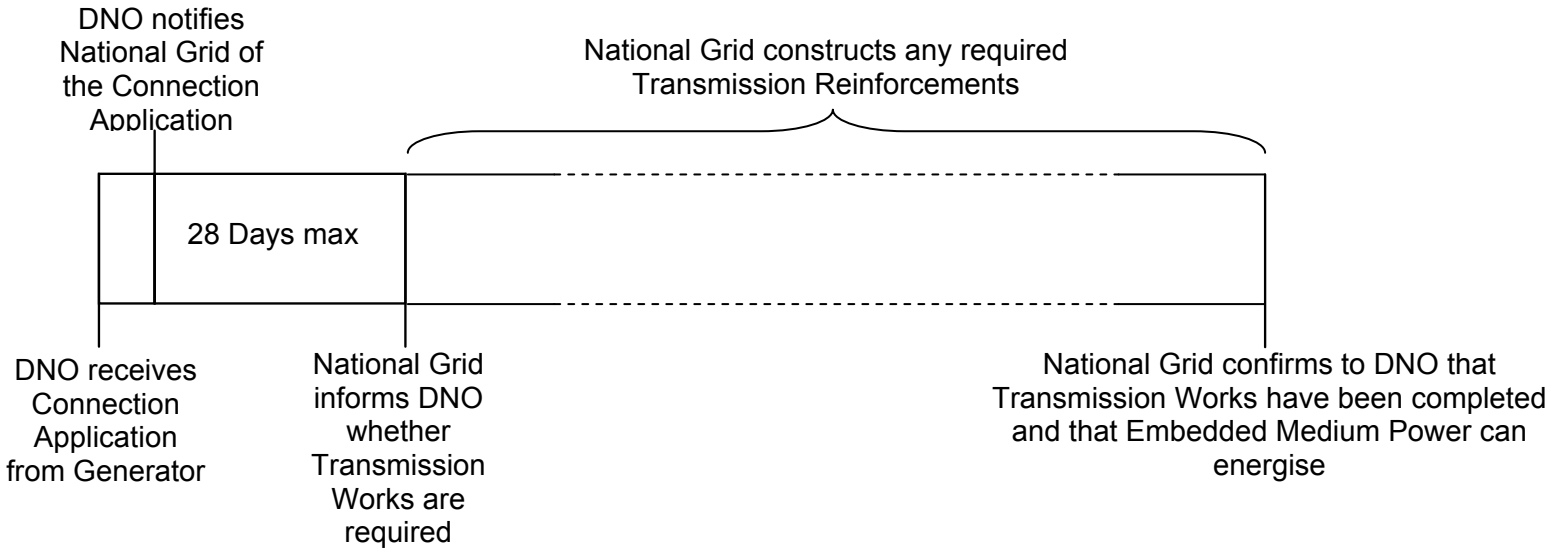
Applicability of WGAA1:

4.3 WGAA1 has been structured such that it is applicable to all Embedded Medium Power Stations. It does not apply to Small Power Stations. As the definitions of Small, Medium and Large Power Stations varies by Transmission Area the following table summarises the applicability of WGAA1:

Transmission Area	Medium Power Stations	Small Power Stations
National Grid	**APPLICABLE** WGAA1 applicable to all Medium Power Stations	**NOT APPLICABLE** WGAA1 does not apply to Small Power Stations.
SP Transmission	**APPLICABLE** WGAA1 applicable to all Medium Power Stations	**NOT APPLICABLE** WGAA1 does not apply to Small Power Stations.
Scottish Hydro-Electric Transmission	**NOT APPLICABLE** No Medium Power Stations exist in SHETL's Transmission Area	**NOT APPLICABLE** WGAA1 does not apply to Small Power Stations.

WGAA1 Process and Timescales

4.4 An overview of the WGAA1 process is as follows:



4.5 This proposal was put forward by its proposer based upon their views that:

- small power stations have negligible impact on the transmission system, either at connection points[1] or on the MITS; and
- it would be disproportionate to establish a financial liability on small and medium power station developers in respect of transmission reinforcement works. Even if this liability is only in respect of final sums, the cost of securing bonds sufficient to cover the magnitude of works required may exceed the other costs of the development.

4.6 The Proposer willingly accepted that distributors have a role in supporting the efficient development of the transmission system. The proposers therefore accepted both:

- an information exchange between distributors and National Grid on likely relevant connections; and
- if necessary, deferral of generation connection until any necessary transmission reinforcement has been carried out.

4.7 However, the proposer did not accept the CUSC drafting submitted by National Grid, on two grounds:

- that in their view CAP097 goes beyond the scope of LEEMPS by seeking to include small power stations connected to GSPs; and
- that in their view it introduces a liability for transmission reinforcement that is not provided for in the body of CUSC.

4.8 The proposer submitted to the Working Group that, in pursuance of the duty to facilitate competition in generation that is common to both distributors and transmitters, a clear and transparent process for making generation connections to distribution systems is required. While this must have regard to the impact on the transmission system, in their view, any restrictions must be proportionate.

4.9 Seeking to capture small power stations connected to the lower voltage side of GSPs is in the view of the proposer of WGAA1 both discriminatory and

[1] Even if the case were made that small power stations could, individually or in aggregate, adversely impact connection points (e.g. through increasing fault level), this alternative amendment assumes that this may readily be dealt with through the existing Modifications process.

disproportionate. The proposer of WGAA1 stated that although the proposer of CAP097 initially suggested that CAP097 would apply only to 132 kV-connected sites, but:

- in Scotland, both 33 kV and 11 kV connected generation would be captured;
- in CE, of 40 GSPs (taking sites with both 132 and 66 kV bars as two):
    - only half (21) are 132 kV;
    - 9 are 66 kV;
    - 9 are 33 kV; and
    - one is 20 kV.

4.10 Therefore the proposer of WGAA1 stated, from the Hebrides to the Humber, a significant number of small power stations not connected to 132 kV systems would be captured by National Grid's proposed wording. Further, there would be an artificial discrimination between customers simply because they were connected to different GSPs, for example CHP sets connected at 33 kV, but on opposite sides of York.

4.11 This was not conducive, in the view of WGAA1's proposer, to transparency in the wider connections process. They did not believe that it was practicable to use the Long-Term Development Statement to indicate reliably the likely GSP to which embedded generation would be connected. Particularly at 20 and 11 kV, this can change over time (even in operational timescales).

4.12 While the proposer of WGAA1 went on to recognise that small power stations will affect fault level, however they submitted that:

- this impact is marginal; and
- the issue can readily be managed through the existing modifications process.

4.13 The proposer of WGAA1 went on to say that many small power stations would be connected to distribution systems by means of an interposing transformer. This is particularly true of wind farms, and will significantly reduce fault infeed. It may be possible to address this by careful wording in respect of 'direct connection' to the same voltage level as the LV side of the grid supply transformer, but issues of proportionality and transparency remain.

4.14 The proposer of WGAA1 stated that it was also far from clear that small power stations will have a material impact on the MITS.

4.15 Therefore the proposer of WGAA1 submitted that it is only medium power stations that have a material impact upon the transmission system. If small power stations cannot be ignored for transmission network & asset management, then the role (or at least the current quantification) of the category is called into question.

4.16 This does not preclude revisiting the quantification of 'small' under Grid Code. This amendment also facilitates an appropriate degree of harmonisation or, as appropriate, differentiation between transmission network zones, through the definition of 'small' rather than unduly affecting CUSC drafting.

4.17 The National Grid Working Group member countered that changing the definition of Small in the Grid Code would also result in numerous other (and in this case potentially unnecessary) Grid Code obligations to be placed upon power stations (e.g. provision of Mandatory Ancillary Services). The objective of CAP097 is not to continually monitor Small Power Stations but rather ensure that their energisation does not cause issues upon the

Transmission System. Once this has been established initially National Grid sees no further requirement for an ongoing compulsory contractual relationship with Small Power Stations and hence believe that the issues CAP097 seeks to address are better served through an amendment to the CUSC rather than an amendment to the Grid Code definition of Small.

4.18 The proposer of WGAA1 went on to state that the requirement to seek distributors (and therefore ultimately developers) to under-write transmission works beyond connection assets goes beyond the charging provisions of CUSC. Section 2 is clear that financial liabilities arise only in respect of connection assets, for which existing modification processes exist. It is not yet clear why a new liability in respect of other works should arise, and why this should not be funded as Licence Compliance Works.

4.19 The National Grid Working Group member countered that where you can reasonably foresee works being triggered by a single party or group of parties and transmission works are required prior to their energisation to allow the transmission system to remain compliant then it seems most reasonable to carry out such works prior to the energisation of the Power Stations and to secure any financial liabilities upon those Power Stations (through the host DNO).

4.20 One distributor argued that the effect of the distribution connection charging regime was that financial liabilities that might arise in respect of the cumulative impact of a number of generation connections could not be backed off across that group of developers unless they all come along together (which is unlikely). Therefore the distributor argued, the impact will generally be felt by single developers, which dilutes the economic signals.

Working Group Alternative Amendment 2 (WGAA2) proposed by CE Electric and United Utilities

4.21 This Working Group Alternative Amendment seeks to simplify the process proposed by National Grid, to clarify that the statement of works is an initial assessment by National Grid of whether or not transmission works or site-specific conditions are required to connect a relevant power station.

4.22 This drafting then uses existing provisions in CUSC for entering into construction agreements and agreements to vary Bilateral Agreements. This allows parties to start the 90-day clock only when the distributor submits that formal application: it also covers off issues such as charging for system studies, construction agreements (and hence final sums liabilities) and the inclusion of site-specific requirements in the revised bilateral.

4.23 For the purposes of this exercise, the National Grid position on what is relevant has been adopted, without prejudice to the spirited rebuttal of that position by the CE representative on the working group.

Applicability of WGAA2

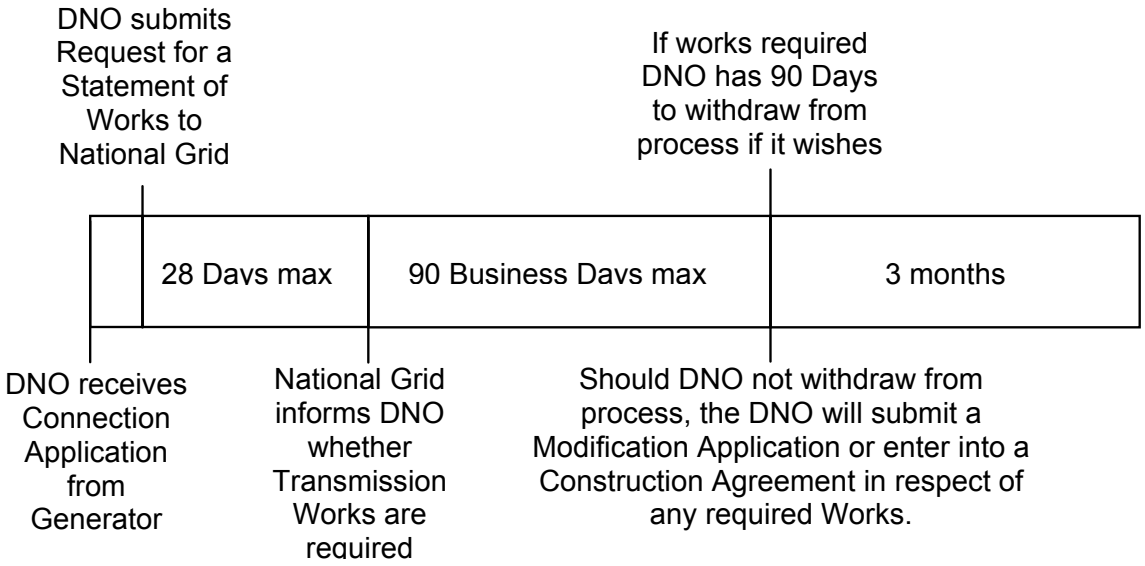
4.24 WGAA2 being based largely around CAP097 original amendment has an identical applicability. As the definitions of Small, Medium and Large Power Stations varies by Transmission Area the following table summarises the applicability of WGAA2:

Transmission Area	Medium Power Stations	Small Power Stations
National Grid	**APPLICABLE** WGAA2 applicable to all Medium Power Stations	**APPLICABLE** WGAA2 applicable to any Small Power Station that is c) 30MW and above in Capacity; AND d) connected to the same voltage as the LV side of the relevant GSP
SP Transmission	**APPLICABLE** WGAA2 applicable to all Medium Power Stations	**NOT APPLICABLE** All Small Power Stations in SPT's Transmission Area are less than 30MW in capacity
Scottish Hydro-Electric Transmission	**NOT APPLICABLE** No Medium Power Stations exist in SHETL's Transmission Area	**NOT APPLICABLE** All Small Power Stations in SHETL's Transmission Area are less than 30MW in capacity

4.25 WGAA2 also allows for a DNO to initiate the WGAA2 process regardless of the size of the embedded power Station. This is discretionary on the part of the DNO however.

WGAA2 Process and Timescales

4.26 An overview of the WGAA2 process is as follows:



4.27 WGAA2 also seeks to amend CUSC 1.3.2 (here, baseline is existing CUSC text) in order to clarify that, to accommodate relevant embedded power stations, distributors may need to enter into construction agreements (to cover timing of works, final sums liabilities, etc.) and agreements to vary Bilateral Agreements (to cover site-specific requirements). The insertion of

'his' is intended to link the obligations over change of use in respect of embedded power stations subject to bilateral to the User who holds those Bilateral Agreements.

4.28 It is assumed here that issues that genuinely affect the interface (e.g. fault level) will be addressed via the existing modification process, informed if necessary by the statement of works.

4.29 The highlighted proposed amendment to 6.5 (here, baseline is National Grid proposal) seeks to clarify that the statement of works is an opinion from National Grid on the need to vary Bilateral Agreements or enter into construction agreements. It then creates an explicit link to the amended 1.3.2, and to the existing Modification Application process, to secure that the appropriate agreements are entered into.

4.30 It should be noted that WGAA2 is likely in many cases to require the DNO to seek agreement from Ofgem to providing an offer for connexion outside the 90-day timescale allowed in the distribution licence.

Consultation Alternatives

Consultation Alternative Amendment 1 (CAA1) – proposed by CE Electric

4.31 CE Electric have proposed CAA1 by way of mitigating some of the concerns expressed within the original CAP097 consultation regarding the timescales in which any Transmission Works would be carried out under the process envisaged by Working Group Alternative Amendment 1. Put simply, CAA1 would follow the process set out in WGAA1. However it would require National Grid, should it identify that Transmission Reinforcement Works are triggered by the Embedded Power Station, to draw up a timetable for those works within 90 days of the original notification from the DNO that the Embedded Medium Power Station intends to connect. It would also require National Grid to notify the DNO of any subsequent changes to this timetable.

Consultation Alternative Amendment 2 (CAA2) – proposed by EdF Energy

4.32 EdF Energy has proposed CAA2 in response to their concerns with Working Group Alternative Amendment 2. EdF believe that the compulsory notification of the connection of new Embedded Power Stations should be restricted to Embedded Medium Power Stations only, although the option for the host DNO to notify National Grid of any Embedded Small Power Stations is retained. Also EdF Energy have proposed that a Modification Application should only be taken forward as a result of a Request for a Statement of Works if there is a positive indication from the DNO. Therefore if there is no positive indication within 90 Business Days of National Grid confirming that works are required under the CAP097 original process then the process would automatically cease.

Consultation Alternative Amendment 3 (CAA3) – proposed by SP Transmission & Distribution

4.33 SP Transmission and Distribution have proposed CAA3 in response to the concerns they have expressed in their response to the CAP097 consultation. CAA3 is based upon WGAA 2 and modifies that process in the following ways:

- In line with a set of proposals currently being debated at the Regional Differences Working Group, SP Transmission and Distribution proposes that the process should capture only Medium Power Stations above 50MW and that in effect Medium Power Stations in Scotland would not need to be compulsorily notified. The DNO retains an option to notify National Grid about Medium Power Stations under 50MW should the DNO believe they would have a significant system effect on the GB Transmission System.
- There would also be no compulsory notification of Embedded Small Power Stations under CAA3 although the host DNO would retain the option to notify National Grid of any Embedded Small Power Stations it believed to have a significant system effect upon the GB Transmission System.

Consultation Alternative Amendments 4 – 6 (CAA4 – CAA6) – proposed by National Grid

4.34 Without prejudice to the views expressed by National Grid on CAP097 original and each of the Working Group Alternative Amendments National Grid has proposed the Consultation Alternative Amendments. Given the recent Authority decision on CAP105 that has seen references to "NGC" within the CUSC be replaced by "The Company", Consultation Alternative Amendments CAA4 to CAA6 replicate both CAP097 original (CAA4), WGAA1 (CAA5) and WGAA2 (CAA6) with any reference to "NGC" replaced by "The Company".

5.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

5.1 In summary the following table represents National Grid's views on whether the CAP097 Consultation Alternative Amendments would better facilitate the CUSC Objective(s). As CAA4, CAA5 and CAA6 are in effect identical to CAP097 original, WGAA1 and WGAA2 (except that they have been adjusted to account for the recent Authority decision on CAP105) we do not formally repeat our views on CAP097 original, WGAA1 and WGAA2 in this document. National Grid's views on CAP097 original, WGAA1 and WGAA2 remain as put forward in the previous CAP097 consultation document. This section ranks the Amendment proposals in order starting with the one we believe most betters the relevant objectives. Subsequently in this report, we outline our views on these Amendments in more detail.

5.2 For reference, the Applicable CUSC Objectives are:

(a) the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence; and

(b) facilitating effective competition in generation and supply of electricity and facilitating such competition in the sale, distribution and purchase of electricity.

CAA4	In National Grid's view CAA4 (the CAP097 original amendment amended to reflect the recent decision on CAP105) would facilitate both Applicable CUSC objective (a) and Applicable CUSC Objective (b) and would do so when compared against the current CUSC baseline and would do more so than any of the other Consultation Alternative Amendments. National Grid's reasoning behind this conclusion is the same as expressed with regard to CAP097 original in the previous CAP097 consultation.

CAA6	Notwithstanding National Grid's views on the timescales associated with CAA6 that would see the majority of DNO connection offers that have to proceed through a the Request for a Statement of Works process having to be processed over a timeframe in excess of the 3 month Distribution Licence Standard, National Grid believes this Consultation Alternative to facilitate both the Applicable CUSC objectives (a) and (b) when compared against the current CUSC baseline.
CAA2	Although National Grid has serious concerns over the treatment of Small Embedded Power Stations in this modification National Grid believes that it does better facilitate Applicable objective (b). It also would better facilitate objective (a) but because of the manner in which Small Embedded Power Stations are treated by it such facilitation is of a lesser magnitude than in either CAA4 or CAA6. National Grid's concerns over the extended timescales over which the assessment process may take place with this amendment also remain.
CAA3	Again Although National Grid has serious concerns over the treatment of Small Embedded Power Stations in this modification National Grid believes that it does better facilitate Applicable objective (b). It also would better facilitate objective (a) but because of the manner in which Small Embedded Power Stations are treated by it, such facilitation is of a lesser magnitude than in either CAA4 or CAA6. The further issue regarding the manner in which it carves outs Embedded Medium Power Stations below 50MW means that it ranks below CAA2. National Grid's concerns over the extended timescales over which the assessment process may take place with this amendment also remain.
CAA1	National Grid has serious concerns over the fact that CAA1 as with WGAA1 does not contain a formalised process through which transmission reinforcement works may be adequately identified and financially secured. National Grid believes that CAA1 represents a small incremental improvement when considered against Applicable CUSC objective (a) when viewed against the current CUSC baseline. However due to the uncertainties associated with the process for completing any identified transmission works we do not believe that it facilitates Applicable CUSC objective (b) as it may add additional uncertainty for Embedded Power Stations and so not facilitate competition in generation. It represents an incremental improvement over CAA5 however as the process for establishing an indicative timeframe over which the works will be carried out is more clearly established. On balance however National Grid does believe that CAA1 better facilitates the Applicable CUSC Objectives and represents a small incremental improvement over the existing CUSC baseline.
CAA5	National Grid has serious concerns over the fact that CAA5 as with WGAA1 does not contain a formalised process through which transmission reinforcement works may be adequately identified and financially secured. National Grid believes that CAA5 represents a small incremental improvement when considered against Applicable CUSC objective (a) when viewed against the current CUSC baseline. We do not believe that it better facilitates Applicable CUSC objective (b). On balance however National Grid does believe that CAA1 better facilitates the Applicable CUSC Objectives and represents a small incremental improvement over the existing CUSC baseline.

6.0 PROPOSED IMPLEMENTATION

6.1 The CAP097 Working Group recommended an implementation date of 10 business days after an Authority decision. Following the conclusion of the Working Group process, National Grid gave further consideration to the

implementation date, and recommended in the CAP097 consultation documents that CAP097 should be implemented 30 days after an Authority decision. This would give certainty to any applications in progress through the transition period, and therefore enable a smooth implementation of the new process.

6.2 In accordance with paragraph 8.19.3 (b) of the CUSC, views were invited on theses dates. However, no views on the implementation timescales were expressed by CUSC Parties through their consultation responses.

6.3 In accordance with paragraph 8.20.2 (g) of the CUSC, the CUSC Amendments Panel was therefore required to determine the implementation date. The matter was discussed at the Panel meeting on 24th February 2006, and it was identified that the transitional requirements were not an issue for WGAA1, CAA1 and CAA5.

6.4 The Panel therefore recommends that WGAA1, CAA1 and CAA5 should be implemented 10 business days after the Authority's decision. For the Original Proposal, WGAA2, CAA2, CAA3, CAA4 and CAA6, the Panel recommends implementation 30 days after the Authority's decision.

7.0 IMPACT ON THE CUSC

7.1 WGAA1, CAA1 and CAA5 require amendments to Section 6 of the CUSC only. WGAA2, CAA2, CAA3 and CAA6 require amendments to Sections 1, 6 and 11 of the CUSC and also the introduction of a further schedule to the CUSC. CAP097 Original and CAA4 require amendments to Sections 6 and 11 of the CUSC and also the introduction of a further schedule to the CUSC.

7.2 It is also noted that two respondents highlighted the need for a potential consequential CUSC amendment to be brought forward should the Authority approve CAA1 in order to amend CUSC 1.3.2.

7.3 The text required to give effect to each of CAP097 Original, the Working Group Alternative Amendments and each of the Consultation Alternative Amendments is contained at Annex 1 of this document.

8.0 IMPACT ON CUSC PARTIES

Proposed Amendment

8.1 CAP097 has an impact upon Distribution Network Operators (DNOs) in two principle ways:

- A DNO will be required to formally notify National Grid of the planned connection of certain Power Stations that are to be embedded within its network and to liaise with the owner/operator of the Embedded Power Station regarding the assessment of the Power Station's impact upon the GB Transmission System, and;
- A DNO will be required to financially secure any transmission works that are triggered by the connection of a notified Embedded Power Station. This is a change from the present position whereby a DNO must only secure works where there is a material effect at the connection site of the GSP to which the Embedded Power Station is connecting.

8.2 CAP097 would not impact upon any other class of CUSC Party.

Working Group Alternative Amendments

8.3 Both of the two Working Group Alternative Amendments have an impact upon Distribution Network Operators (DNOs). However the extent to which the DNO would be affected differs between the two WGAAs.

8.4 For WGAA1:

- A DNO will be required to formally notify National Grid of the planned connection of certain Power Stations that are to be embedded within its network and to liaise with the owner/operator of the Embedded Power Station regarding the assessment of the Power Station's impact upon the GB Transmission System.

8.5 For WGAA2:

- A DNO will be required to formally notify National Grid of the planned connection of certain Power Stations that are to be embedded within its network and to liaise with the owner/operator of the Embedded Power Station regarding the assessment of the Power Station's impact upon the GB Transmission System, and;
- A DNO will be required to financially secure any transmission works that are triggered by the connection of a notified Embedded Power Station. This is a change from the present position whereby a DNO must only secure works where there is a material effect at the connection site of the GSP to which the Embedded Power Station is connecting.

8.6 The two WGAAs would not otherwise impact upon any other class of CUSC Party.

Consultation Alternative Amendments

8.7 All of the Consultation Alternative Amendments have an impact upon Distribution Network Operators (DNOs). However the extent to which the DNO would be affected differs between them.

8.8 For CAA1 and CAA5:

- A DNO will be required to formally notify National Grid of the planned connection of certain Power Stations that are to be embedded within its network and to liaise with the owner/operator of the Embedded Power Station regarding the assessment of the Power Station's impact upon the GB Transmission System.

8.9 For CAA2, CAA3, CAA4 and CAA6:

- A DNO will be required to formally notify National Grid of the planned connection of certain Power Stations that are to be embedded within its network and to liaise with the owner/operator of the Embedded Power Station regarding the assessment of the Power Station's impact upon the GB Transmission System, and;
- A DNO will be required to financially secure any transmission works that are triggered by the connection of a notified Embedded Power Station. This is a change from the present position whereby a DNO must only secure works where there is a material effect at the connection site of the GSP to which the Embedded Power Station is connecting.

The CAAs would not otherwise impact upon any other class of CUSC Party.

9.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

9.1 CAP097 and its Alternative Amendments have no impact upon Core Industry Documents.

Impact on other Industry Documents

9.2 CAP097 and its Alternative Amendments have an impact upon the SO-TO Code. Amendments (CA016 and CA017) have been tabled at the STC Committee in order that the appropriate STC processes to back off the CAP097 related arrangements can be developed. The STC Committee is currently considering these amendments and expects to report to the Authority on these Amendment Proposals as soon as reasonably practicable. National Grid would recommend that the Authority takes its decision on CAP097 and its related STC Amendments CA016 and CA017 concurrently.

10.0 IMPACT ON INDUSTRY COMPUTER SYSTEMS OR PROCESSES

10.1 CAP097 has no impact upon on Industry Computer Systems or Processes.

11.0 VIEWS AND REPRESENTATIONS

11.1 This Section contains a summary of the views and representations made by consultees during the consultation period in respect of the Proposed Amendment and the Alternative Amendments.

Views of Panel Members

11.2 No views were expressed by Panel Members in their capacity as Panel Members during the consultation period.

Views of Core Industry Document Owners

11.3 No representations were made by Core Industry Document Owners.

Working Group Discussions

11.4 The primary issues that arose during the Working Group discussions were as follows:

- Proportionality of the original proposal
- Consideration of how the Statement of Works would interact with the Modifications process
- Consideration of the timescales associated with any Modification.
- Consideration of the provision of financial security for any works
- Consideration of how “Site-Specific Requirements” for the Embedded Power Station would be enforced
- Consideration of the Amendment Proposal on Small Power Stations.

11.5 Proportionality

11.5.1 National Grid believes that the proposed amendment would have the following benefits:

- Paragraph 6.5 is primarily designed to enable National Grid (and post BETTA the Transmission Owners in Scotland where applicable) to ensure that the Transmission System is adequately designed prior to the connection of embedded generation. As the impact upon the Transmission System of a single 250MW Embedded Power Station is in many respects the same as five 49.9MW Embedded Power Stations in a similar locality there is a need to assess the impact of a proposed connection against the relevant security standards regardless of licensing thresholds. This is to ensure compliance at the local Grid Supply Point and also wider assessment across the Transmission System and to ensure equipment is maintained within ratings. An awareness of those Power Stations that may cause an impact upon the Transmission System either individually or in aggregate will therefore facilitate the development of the Transmission System in an efficient and co-ordinated manner by National Grid.
- The Proposed Amendment will enable National Grid to more easily fulfil its duties to facilitate effective competition in generation and to avoid potential discrimination between licensed and unlicensed generation. In the example given above (if the Power Stations concerned were located in England and Wales) the proposed connection of the 250MW Embedded Power Station would be notified to National Grid prior to energisation. National Grid would also be able to prevent energisation prior to any relevant Transmission Works being completed. The owner of the 250MW Power Station would also provide financial security against these transmission works that it has triggered. However the 49.9MW Embedded Power Stations would not be directly notified to National Grid and National Grid would not be able to prevent their energisation until any required transmission works had been completed. Similarly the owners of the Power Stations would not financially secure any transmission works triggered by the 49.9MW Embedded Power Stations. Rather any liabilities for Final Sums would either be borne by the wider Industry or National Grid. National Grid believes that the proposed amendment better allows the parties triggering the need for transmission works to bear the financial risk associated with such works[2]. National Grid believes this to be more appropriate than either the wider Industry or National Grid bearing this risk.

11.5.2 Working Group members questioned a number of these issues. Specifically, it was suggested that:

- the issue of cumulative impact, while relevant, is not in the view of some Working Group Members addressed by the original proposal. The draft legal text explicitly links the statement of works and all direct costs and indirect liabilities to individual developments. This may be disproportionate;
- issues at the connection point could be dealt with under the existing Modification Application process and some Working Group Members did not support the National Grid proposals in relation to Final Sums, and had some concerns as to the associated timescales;
- potential current differences in the treatment of generators with or without an agreement or a TEC were, some Working Group Members felt, appropriate.

[2] On the assumption the DNO passes on the financial liability to the party triggering the works.

11.5.3 On the first point National Grid countered that the cumulative effect is, in their view, adequately catered for. Any security for Final Sums triggered by embedded developments is passed onto the DNO and not the individual projects themselves. The DNO through passing on such risk and in fulfilling its non-discrimination provisions will then be incentivised to pass on the liability to those parties causing the financial liability. If the liability is triggered by more than one project then the DNO may pass on this liability proportionately to all parties.

11.5.4 On the second point, while the existing CUSC baseline allows for works at a Connection Site to be dealt with it does not necessarily allow for wider transmission works to be dealt with in the case of Small and Medium Embedded Power Station connections. This is one of the reasons why CAP097 has been proposed.

11.6 Modifications Process

11.6.1 There were a number of questions raised by the Working Group regarding how the Statement of Works process envisaged by CAP097 would interact with the existing Modifications process. National Grid clarified that should transmission works be required as a result of the connection of a Small or Medium Embedded Power Station then the intention would be to progress these through the Modification with the DNO. The extent of the works covered by such a modification was then also queried by the Working Group – would the DNO only be expected to proceed through the Modifications process if there were works on the Grid Supply Point (GSP) Connection Site or would there also be a Construction Agreement required if the works were transmission reinforcements that were distant from the Connection Site for the GSP. National Grid confirmed that they would envisage the DNO entering into a Construction Agreement wherever transmission works were triggered. It was then noted that this would possibly require a further change to the definition of a “Modification” within the CUSC to allow this approach. National Grid agreed to include such necessary changes within its legal text.

11.6.2 Some Working Group members did not support this approach, reflected in the two WGAAs raised. WGAA 1 takes a radical approach, requiring no agreements to be entered into. WGAA 2 removes the need for a Modification unless works are required at the Connection Site: however, it provides for a construction agreement to be entered into if required.

11.7 Timescales:

11.7.1 The timescales associated with any Statement of Works were then also discussed. The intention of the original amendment was that the process of a DNO producing a connection offer should not be unduly delayed by any request for and any subsequent production of a Statement of Works. In order to achieve this within the 3-month period a DNO has to produce its connection offer to the Embedded Generator the following process and timescales have been incorporated within the process.

11.7.2 A DNO shall submit a Request for a Statement of Works and provided it is complete and any appropriate fee paid the “clock” will start.

11.7.3 Within 28 days of the submission of a Request for a Statement of Works, National Grid shall respond to the DNO and state whether any Site Specific Requirements are required for the Embedded Power Station or if there are any Transmission Works.

11.7.4 Should there be Transmission Works then the original Request for a Statement of Works will be deemed to be a Modification Application and National Grid will generate a Modification Offer to the DNO within 3 months of the original submission of a Request for a Statement of Works.

11.7.5 It was then pointed out that an Embedded Generator if it were to trigger Transmission Works may no longer wish to proceed with its project and as such not incur the costs associated with a full Modification Offer (it is assumed here that any costs incurred by the DNO would be passed through to the generator). To allow for such withdrawal, National Grid agreed to place a "break-point" in the process that would allow the process to be brought to a halt before the Embedded Generator incurred expenditure associated with a Modification. So as not to impact too greatly upon any subsequent production of a Modification Offer if the Embedded Generator wished to proceed this break-point has been incorporated as a five business day "cooling off period" following National Grid's confirmation that works are required to the GB Transmission System.

11.7.6 Some members of the Working Group whilst welcoming the breakpoint in the process offered by the "cooling-off period" did not believe that the 5 Business Day period would be sufficient in all cases and that a longer period would be required. However these members also recognised that the three-month timescale for connection offers was prescribed through the licensing regime and as such could not be altered through an amendment to the CUSC. Instead the Working Group Members formulated a Working Group Alternative Amendment that sought to address the timescales associated with a Request for a Statement of Works as a pre-cursor to the formal Modification Process rather than embedded within it. (Further details about this Working Group Alternative Amendment may be found in Section 5.0)

11.8 Provision of Financial Security:

11.8.1 The question of Financial Security for any transmission works was also discussed. National Grid agreed with the Working Group that the DNO would be required to provide financial security for any transmission works. In practice this would not result in the transfer of any actual monies as the DNO by virtue of maintaining the credit rating stipulated by its distribution licence automatically meets the requirements of an NGC Credit Rating.

11.8.2 It was suggested by some Working Group Members that, as there remained a financial risk, distributors would be obliged by their own non-discrimination obligations to back off these liabilities onto each individual developer. It was further noted that the cost of raising such security could be prohibitive for the combination of a 'small' generator and major transmission reinforcement works, and that these costs would in any case generally dissuade new entry and hence restrict competition in generation.

11.8.3 National Grid would counter that it is appropriate for any Power Station that triggers works whether it be 40MW or 400MW to bear the financial risk associated with such works in order that they be efficiently incurred. Currently where an Embedded Power Station does not have a direct relationship with National Grid there is no incentive to connect to a GSP where its energisation would not trigger transmission reinforcements. National Grid is of the view that CAP097 would provide such an incentive through providing the appropriate financial signals.

11.9 Site-Specific Requirements:

11.9.1 National Grid confirmed that there may be cases where it is currently stated in the Grid Code that certain site-specific technical conditions will be included in the User's Bilateral Agreement. Given that there may not be a Bilateral Agreement in place, National Grid proposed that such Site-Specific Requirements would be contained within any Statement of Works and that the CUSC would be modified to ensure that the DNO enforces these Site-Specific Requirements. The Working Group commented that it would be easier for the DNO to administrate such arrangements if any such Site Specific Requirements were appended to the existing DNO Bilateral Agreement for the relevant GSP. This would have the benefits that all obligations in respect of a single GSP would be in the same place. It would also remove the requirement to explicitly state within the CUSC that Site-Specific Requirements had to be enforced by the DNO, as they would be bound to them through existing obligations to conform to the Bilateral Agreement.

11.10 Impact upon Small Power Stations:

11.10.1 The Working Group debated at length the impact of CAP097 on Small Power Stations. National Grid stated that the proposals developed in CAP097 were based upon the proposals in CAP002 and the Authority's comments upon the CAP002 proposals. The legal drafting that was supplied to the Authority for CAP002 was as follows:

"*Any User who owns or operates a Distribution System shall not Energise the connection between a Power Station of [30]/[50]MW Registered Capacity or greater,* or *a Power Station (whatever its Registered Capacity) connected to the same voltage level as the LV side of the Grid Supply Point and its Distribution System by the same until the User has obtained from NGC a statement of works (if any) required to the NGC Transmission System and any User System to accommodate that Power Station and NGC has confirmed to the User that those works have been completed*..."

11.10.2 National Grid stated that the debate in the specific context of CAP002 was around the 30 or 50MW threshold in the context of a Distribution System energising a Power Station of 30/50 MW irrespective of where it was connected, and the CAP097 proposed limit in relation to this leg is now closely tied to specific "Medium" levels across GB, (i.e. above 50MW in England and Wales and 5MW in SPT's area). The second aspect of this drafting then related to the energisation of "**or** a Power Station (**whatever its Registered Capacity**) connected to the same voltage level as the LV side of the Grid Supply Point". In other words, all those Power Stations that are connected to the same voltage level as the LV side of the Grid Supply Point.

11.10.3 Given this historic precedent National Grid had phrased CAP097 in terms of applying to any Medium Power Station or a Small Power Station connected to the same voltage level as the LV side of the Grid Supply Point. This in effect was the same drafting of the version of the CAP002 text provided to the Authority.

11.10.4 The Working Group discussions then highlighted concerns regarding the potential capturing of all Small Power Stations connected to the same voltage level as the LV side of the Grid Supply Point. Some members of the Working Group stated that it would be highly inefficient for the DNO to have to submit a "Request for a Statement of Works" upon each and every connection to the Distribution System that is at the same voltage level as the LV side of the Grid Supply Point. This was especially the case when there

exist Grid Supply points that supply voltages down to 11kV direct from the Transmission System and that very small Power Stations (<1MW) would be captured by the drafting.

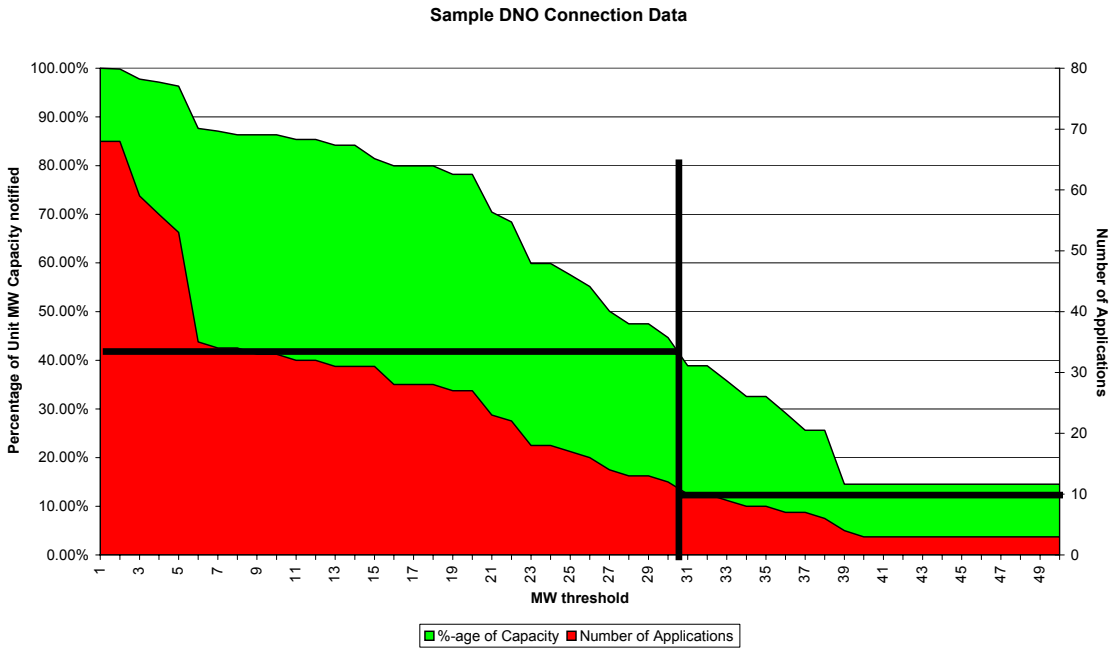
11.10.5 To mitigate this effect some members of the Working Group suggested that a "De minimis" threshold be introduced into the drafting to limit the levels at which Small Power Stations should be notified to National Grid. Other members of the Working Group thought that the changes should reach further than this and that only Medium Power Stations should be notifiable and to this end proposed a Working Group Alternative Amendment (see Section 5.0 below).

11.10.6 National Grid responded that while it was unlikely though possible that a Small Power Station could individually have an impact upon the GB Transmission System it was the cumulative impact of several Small Power Stations connecting in a locality that concerned it.

11.10.7 To this end National Grid developed a mechanism that would require all Power Stations above a de-minimis level to be notified to National Grid and that there should be a GSP de-minimis level (both initially proposed at 5MW in order to fit with the existing upper limit of a Small Power Station in Scotland). This GSP de-minimis level would result in a DNO keeping track of the aggregate Embedded Power Station capacity installed at a GSP that had not previously been notified to National Grid. Once this capacity was in excess of the GSP de-minimis level the DNO would be required to submit a Request for a Statement of Works for the Power Station that broke the GSP de-minimis level.

11.10.8 The Working Group discussed this option and some members voiced the concern that this mechanism would place an unreasonable burden on DNOs and that it would ultimately result in every Embedded Power Station being notified to National Grid. In light of these concerns National Grid agreed to perform further analysis and attempt to construct a differing mechanism that would allow for the identification of the cumulative impact of a number of Small Power Stations connecting in a locality.

11.10.9 Subsequently National Grid was then able to perform the following analysis upon information on prospective DNO connections for a single DNO over a number of future years. This revealed the following:



11.10.10 The diagram above reveals that if the threshold were to be set at 30MW then approximately 45% of all future connecting capacity would be captured for 12 Requests for a Statement of Works. National Grid believes that such a de-minimis level helps to mitigate the concerns voiced by DNOs with regard to the possible additional workload whilst still achieving the desired aim from National Grid's point of view of capturing sufficient information about the cumulative effect of Small Power Stations upon the GB Transmission System such that National Grid can ensure that the system remains compliant.

11.10.11 The introduction of a de-minimis threshold of 30MW in relation to stations connected at the same voltage as the LV side of the Grid Supply Point also means that CAP097 is actually significantly less encompassing than the version of CAP002 that the Authority indicated may have been the most appropriate, as it no longer captures all such stations in a blanket fashion.

11.10.12 It was also suggested by some Working Group Members that, in some GSP groups in England & Wales, only half of GSPs ran at 132 kV, with the rest evenly disposed between 66 kV and 33 kV. They suggested that this means that any definition involving 'the LV side of the GSP' would create arbitrary (and therefore undue) discrimination between generation developments in close geographic proximity. The original proposal would also reduce transparency in the connections process, as different procedures would be require for otherwise identical developments dependant solely on the eventual electrical path. The situation is likely to be worse in Scotland.

Responses to Consultation

11.11 The following table provides an overview of the representations received. Copies of the representations are attached as Annex 3.

Reference	Company	Supportive
CAP097-CR-01	AMEC Wind Energy	No support for any option expressed. Suggested that CAP097 should be considered in tandem with the OFGEM consultation 'Enduring transmission charging for distributed generation'.
CAP097-CR-02	British Energy	Believes that the Original Amendment Proposal and both of the Working Group Alternative Amendments better facilitated the Applicable CUSC objectives but that on balance the respondent favoured Working Group Alternative Amendment 2.
CAP097-CR-03	CE Electric UK	Supportive of Working Group Alternative 1. Also proposed a Consultation Alternative Amendment based upon Working Group Alternative Amendment 1.
CAP097-CR-04	EDF Energy	EdF most supportive of Working Group Alternative Amendment 2. Consultation Alternative amendment based upon WGAA2 also proposed.
CAP097-CR-05	E.ON UK	Does not support the Original Amendment or either Working Group Alternative Amendment. Considered however that WGAA1 was the “least undesirable”.
CAP097-CR-06	RWE npower	Supportive of Working Group Alternative Amendment 1. Respondent believes that the issues considered under CAP097 be better considered as part of the OFGEM consultation on Distributed Generation.
CAP097-CR-07	Scottish Power Energy Wholesale	Did not support the Original Amendment or any of the Working Group Alternative Amendments.
CAP097-CR-08	SP Transmission and Distribution	Did not support the Original Amendment or any of the Working Group Alternative Amendments. Proposed a Working Group Alternative based upon Working Group Alternative Amendment 2.
CAP097-CR-09	United Utilities	Strong support expressed for Working Group Alternative Amendment 1. Did not support either the Original Amendment or WGAA2.
CAP097-CR-10	Western Power Distribution	Supportive of Working Group Alternative Amendment 2.

Response to Consultation Alternative Amendments

Reference	Company	Supportive
CAP097-CAR-01	CE Electric UK	Strongly supportive of CAA1. Notes that should CAA1 be approved a consequential amendment to CUSC 1.3.2 may be required.
CAP097-CAR-02	EDF Energy	Supportive of CAA2
CAP097-CAR-03	E.ON UK	Remains opposed in some way to the Original Amendment Proposal, all Working Group Alternative Amendments and all Consultation Alternative Amendments. However the respondent states that "…were we required to support one, our preference would be for CAA1."
CAP097-CAR-04	Scottish Power Energy Wholesale	Supports CAA3 is being the option "…most proportionate to the problem which National Grid seeks to address…"
CAP097-CAR-05	SP Transmission and Distribution	Supports CAA3, and subject to the outcome of the Grid Code Regional Differences process also supports CAA2. Respondent believes that CAP097 Authority decision should be taken concurrently with any Authority decision on the Grid Code Regional Differences proposals.
CAP097-CAR-06	United Utilities	Supportive of CAA1. Notes that should CAA1 be approved a consequential amendment to CUSC 1.3.2 may be required.

Detailed Points made through Consultation Responses and National Grid's response

11.12 **CE Electric**

11.12.1 In their response to the CAP097 Consultation CE Electric stated that they did not believe that an adequate case had been put forward justifying the application of CAP097 to Small Power Stations connected to the LV side of the Grid Supply Point that were in excess of 30MW. National Grid would note that the requirement to notify Small Power Stations that are connected to the LV side of the Grid Supply Point is proposed as these Power Stations are electrically closest to the Transmission System and as such are most likely to have an impact upon it (e.g. fault levels). The further restriction of this clause to Small Power Stations connected to the LV side of a Grid Supply Point ***in excess of 30MW*** was introduced as a result of Working Group Discussions. The reason behind this was precisely as a result of Working Group members concerns regarding the administrative overhead associated with the notification of every Small Power Station connected to the LV side of a Grid Supply Point. 30MW was the level identified through Working Group analysis that represented the capture of a significant proportion of Small Power Station capacity but which would see the numbers of notified projects (and so the associated administrative burden) kept to a minimum.

11.12.2 In their response to both the Consultation and the Consultation Alternative Consultation CE Electric state that they do not believe that

investment in the transmission system should be predicated on individual small or medium generation connections but instead should be taken forward through the wider investment planning process as is the case for reinforcements triggered through demand growth. National Grid would note that it would seem inequitable that should a 100MW generator connect to a distribution network and trigger reinforcements then it would become financially liable whereas two 49.9 MW Power stations connecting at the same locality though having the same material effect as the 100MW Power Station would not have any financial liabilities. This is one scenario that CAP097 would seek to address in our view in a fair and equitable manner.

11.12.3 The respondent also believes that the investment planning process is better suited to judge whether reinforcements are required in response to embedded generation developments. National Grid would counter that in the case of demand growth both National Grid and the DNO can reasonably forecast demand growth at a connection site up to 7 years ahead and share such data through the Grid Code planning process. The timescales involved therefore allow for National Grid to accurately identify, plan and construct such reinforcements. Generation connections are much less predictable and with new generation technologies (in particular wind farms) a power station can be constructed over a timescale of less than 2 years. Should these developments be managed through the investment planning process although National Grid may become aware of the project (through week 24 Planning Code submissions under the Grid Code and not necessarily at the time the Power Station initially requests a connection to the DNO network) it may not be able to complete such reinforcements before the Power Station is energised. The problem is exacerbated under the proposals put forward by CE Electric where the Power Station(s) is Small. Under these proposals National Grid would not be able to delay the energisation of such a Power Station. Should there be a number of Small Power Stations in a locality then the problem is compounded.

11.13 EdF Energy

11.13.1 EdF Energy note in their response that the amendment states that DNOs would be required to pay a fee for the Request for a Statement of Works and that this fee should be included as part of the amendment. National Grid notes that the setting of such a fee would be a matter for the Charging Statements and that as such is outside the scope of the CUSC amendment. Any changes required to give effect to the charge referenced by CAP097 for a Request for a Statement of Works would be progressed under the change governance of the Charging Statements.

11.14 Eon

11.14.1 Eon note in their response that should CAP097 be implemented then medium power stations in Scotland between 5MW and 30MW will be captured by the CAP097 process. Eon note that they would prefer to see a consistent application of any proposals across Great Britain and that as such they believe, consistent with their views on CAP002 that such no Power Station below 50MW should be captured.

11.14.2 National Grid note that the current definition of a Medium Power Station in Scotland would see future connections for embedded medium power stations in Scotland captured through the CAP097 process. National Grid notes that the transmission networks in Scotland are different to those in England and Wales and as a result this has resulted in a necessary differing treatment of equivalent size Power Stations in Scotland than in England and

Wales in a number of CUSC processes. National Grid therefore notes that such differing treatment is therefore not without precedent.

11.14.3 We also note that this issue of the classification of Small, medium and Large Power Stations generally is currently being considered by the Grid Code Regional Differences Working Group and that while there may be interactions between the CAP097 proposals and this Working Group in the view of National Grid the proposals are not contingent on one another.

11.15 RWE npower

11.15.1 RWE npower state in their response that CAP097 goes "against the principle of the generator only having a contractual relationship with the network operator whose network they are connected to".

11.15.2 This is not National Grid's view of CAP097, indeed one of the reasons CAP097 was proposed by National Grid was that a mechanism was required to deal with issues caused by the energisation of Embedded Power Stations precisely because the LEEMPS proposals would mean that National Grid may no longer have a relationship with Embedded Medium Power Stations. Under the proposed CAP097 process the Embedded Power Station would not have a contractual relationship with National Grid. It would continue to liaise only with its host DNO. It is the DNO that would liaise with National Grid regarding the energisation of the generator.

11.16 SP Energy Wholesale

11.16.1 The respondent states that "by including small power stations in the proposals National Grid has extended the reach of the proposals beyond that which was necessary to incorporate into the CUSC the changes which follow from the recent work on licence exemptable medium power stations under the Grid Code."

11.16.2 National Grid would note that although the Licence Exempt Embedded Medium Power Stations (LEEMPS) proposals and the fact that if implemented fewer embedded power stations would have a direct relationship with National Grid was one reason behind the submission of CAP097 it was not the only reason. CAP097 addresses the fact that the energisation of embedded power stations can impact upon the transmission system and that where National Grid is not notified of these embedded power stations through a direct contractual relationship so the process for notification needs to be formalised. Thus the fact that CAP097 includes Small Power Stations is not in the eyes of National Grid a defect of the amendment proposal. As National Grid has maintained throughout the assessment of the amendment the cumulative impact of a number of locally sited small power stations would have the same impact as a single larger power station. The assessment of the impact upon the transmission system of each case needs to be capable of adequate assessment.

11.17 SP Transmission & Distribution

11.17.1 National Grid notes the concerns expressed by the respondent in respect of WGAA1 in its original response that "…there is no contractual basis for the DNO to offer a completion date to the generator and little incentive for the transmission companies to complete the necessary transmission infrastructure. Indeed since the transmission companies will bear a significant risk of stranded investment should the generation project not go ahead – there would be disincentives against the timely construction

of the transmission infrastructure. This would not facilitate competition in generation."

11.17.2 National Grid also notes the other concerns expressed by the respondent relating to the inclusion of Small generators in the proposals and would note the justification for this given by National Grid earlier in this report.

National Grid View

11.18 **National Grid Views on CAP097 Original and the Working Group Alternative Amendments**

11.18.1 National Grid believes that of the three Amendment Proposals put forward in this Consultation, CAP097 Original Amendment Proposal is the preferred option. National Grid's rationale behind this view is given in detail below.

11.18.2 National Grid does however consider that all of the amendments, both the original and each of the WGAAs would enable National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence. Each of the amendments would enable National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence. This would be through the early identification of Embedded Generation projects to National Grid and the ability of National Grid to assess the impact of such projects upon the GB Transmission System would allow National Grid to take pre-emptive action to ensure its transmission system is compliant with its transmission licence standards.

11.18.3 As indicated above however National Grid believes that CAP097 Original Amendment is significantly preferable to the Working Group Alternative Amendments for the following reasons:

Impact of Embedded Small Generators

11.18.4 Though individually Embedded Small Generators are unlikely to have an impact upon the GB Transmission System it is clear that a number of Small Embedded generators connecting at a similar locality may have an impact. Two 49.9MW generators in a locality will have much the same impact as a single 100MW generator.

11.18.5 National Grid's concern is therefore that should any Amendment be implemented that does not allow the impact of Small Power Stations to be assessed then the ability of National Grid to plan and operate a compliant system may be compromised. This is especially the case moving forward where recent developments mean that increasing volumes of renewable generation is seeking to connect to distribution systems clustered around those areas most exposed to the wind. Should information about such information not be available then it may result in an increase in the number derogations required against the SQSS whilst retrospective transmission works are undertaken.

11.18.6 National Grid recognises however that a balance needs to be retained between the burden any process places on new entrants that may commonly not have an individual impact upon the Transmission System and the provision of information to National Grid. National Grid believe that CAP097 original amendment achieves this. The 30MW de-minimis level allows information regarding a significant proportion of the generation most likely to have an aggregate effect to be supplied to National Grid. However it does

mean that Small Generators with the least probability of impacting the GB Transmission System would not be captured through the CAP097 process.

11.18.7 CAP097 is further targeted at only the most relevant embedded Small Generators through only capturing those that are connected to the same voltage level as that of the LV side of the relevant Grid Supply Point. Such generators are electrically closest to the GB Transmission System and as such when issues such as fault levels are considered are those most likely to have an impact upon the GB Transmission System. This further targeted application again reduces the likelihood of Small Generators that have no impact on the GB Transmission System from being included within the CAP097 process.

Transparency to owners of prospective Embedded Generators

11.18.8 WGAA1 in particular does not give the prospective embedded generator any firm idea of what would happen should it be identified that the embedded generator triggers Transmission Works. Although it is clear that the generator will not be permitted to energise until such works are complete, there is no clear route through which these Works can be taken forward. In both the Original and WGAA2 it is clear that such works will be taken forward through a Modification Application or Construction Agreement with the relevant DNO. This would give the User confidence in the expected process and that without this aspect National Grid considers the lesser degree of transparency offered by WGAA1 to be a barrier to entry and hence does not facilitate competition.

Efficient Investment Signals

11.18.9 National Grid also believes that the Original Amendment and WGAA2 better facilitate the applicable CUSC objectives through the CAP097 linkage with the Modification process. The fact that any transmission reinforcement works triggered by an Embedded Medium or Small Generator will be financially secured means that it is much more likely that such expenditure will be efficiently incurred. This reasoning is based upon the fact that there will be a financial commitment to a project meaning that it is much less likely that part way through the construction of the transmission reinforcement works an Embedded Generation project will no longer wish to proceed. This assumption is made upon the basis that a DNO would pass on some or all of its financial liability to the Embedded Power Station owner. Therefore National Grid is better able to efficiently discharge its obligations under the Act.

Timescales

11.18.10 Though there are few differences between the Original Amendment and WGAA2 National Grid believes that the Original Amendment is preferable. This is based upon the extended timescales over which the process in WGAA2 take place should Transmission Works be identified through the Request for the Statement of Works. Should this be the case the process associated with WGAA2 may take up to 6 months from start to finish meaning that any associated DNO connection offer will likely be delayed significantly beyond the licence standard of 3months. The Original Amendment proposal aims to complete the CAP097 process within three months meaning that a majority of DNO connection offers may be completed within the licence timeframe of 3 months. Even where an extension is required to the timeframe for the production of a DNO connection offer, it is

likely that any extension will be much less significant than it would be under WGAA2.

11.19 **National Grid views upon Consultation Alternative Amendment 1 (CAA1) – proposed by CE Electric**

11.19.1 Though CAA1 goes some way to addressing the concerns that a prospective embedded generator would have no clear indication of the timescales associated in National Grid's opinion it still leaves the embedded generator in a position that is worse than that in those forms of amendment that rely on a Modification Application. The reasoning here is that under a Connection or Modification Application there exists a contractual framework through which the transmission reinforcements required to facilitate a Connection or Modification can be completed within timescales mutually agreeable to both National Grid and the User. Under both WGAA1 and CAA1 any works will be done as part of wider system reinforcement works. Here although National Grid and where relevant other Transmission Owners would endeavour to complete these works in a short a timescale as possible the incentives upon National Grid and the Transmission Owners are such that works carried out under the auspices of a construction agreement are likely to be prioritised first.

11.19.2 Another aspect of CAA1 that is likely to cause issues is that although National Grid and also potentially a Transmission Owner must generate a programme of works there is no mechanism through which National Grid may make a reasonable charge to the User for the assessment of such works[3]. National Grid may not be able to recover its own reasonable costs and also would not be able to pass through to the appropriate party any charges that the Transmission Owners may wish to make to National Grid through their TO Charging Statements. In this respect, CAA1 poses greater risk than WGAA1, as the volume of work for which a reasonable charge cannot be made that will need to be undertaken by National Grid is greater.

11.19.3 Additionally the view expressed by National Grid relating to efficient investment signals in relation to WGAA1 also applies to CAA1. Again as CAA1 does not involve any financial commitment from the DNO or embedded power station for the transmission works there is a greater risk that speculative applications may be made or that the embedded power station may pull out of the project part way through the construction of the transmission assets. In either case this would prove to be an inefficient use of the resources of both National Grid and potentially the Transmission Owners and could lead to the construction (or part construction) of stranded assets.

11.19.4 However despite the above concerns National Grid believes that CAA1 represents a small incremental improvement when considered against Applicable CUSC objective (a) when viewed against the current CUSC baseline. We do not believe that it better facilitates Applicable CUSC objective (b). On balance however National Grid does believe that CAA1 better facilitates the Applicable CUSC Objectives and represents a small incremental improvement over the existing CUSC baseline.

[3] NB In other versions of CAP097 the Request for a Statement of Works forms a formal mechanism for which a reasonable charge could be associated.

11.20 **National Grid views upon Consultation Alternative Amendment 2 (CAA2) – proposed by EdF Energy**

11.20.1 CAA2 does not give National Grid sufficient comfort that the aggregate impact upon the Transmission System of a cluster of Small Power Stations can be accounted for accurately. Though the DNO has the discretionary power to notify National Grid of Embedded Small Power Stations National Grid is of the view that it would be best placed to make the assessment of the impact of the connection upon the transmission system. Also as the assessment of the impact of the Embedded Small Power Station on the Transmission System would be unique to each DNO there may not be a consistent application of criteria across Great Britain potentially leading to claims of discrimination. Therefore National Grid views the proposals that see the automatic notification of those Embedded Small Power Stations whose effect upon the Transmission System (in aggregate) is most likely i.e. those above 30MW in as the most preferable.

11.20.2 The aspect of CAA2 that aims to clarify that should the DNO not respond to National Grid with the 90 Business Day timeframe the Request for a Statement of Works is deemed withdrawn though it does add clarity is not in the view of National Grid a vital addition to WGAA2. Here WGAA2 is clear that the DNO is required to submit a Modification Application or enter into a Construction Agreement for the required Transmission Works. If it does not then although the process is left incomplete the consequences are such that clearly the process under 6.5.5 has not been completed and therefore under the drafting of 6.5.1 (a) (iii) in WGAA2 the DNO may not energise the connection of the Embedded Power Station.

11.20.3 In terms of an assessment against the Applicable CUSC objectives National Grid believes that CAA2 represents an improvement over the current CUSC baseline in that it clarifies the processes involved for each category of Power Station. However given our reservations over CAA2's ability to allow National Grid to accurately and consistently assess the impact of Embedded generation on the Transmission System, National Grid believes that WGAA2 upon which CAA2 was based remains a preferable option.

11.21 **National Grid views upon Consultation Alternative Amendment 3 (CAA3) – proposed by SP Transmission & Distribution**

11.21.1 National Grid's views on the aspect of CAA3 that would see Small Power Stations only notified at the discretion of the DNO are the same as those expressed in relation to the similar change made for CAA2. Namely that this change would result in National Grid not having sufficient comfort that it would be able to identify accurately and consistently the potential aggregate impact upon the transmission system of Embedded Small Power Stations.

11.21.2 Regarding the change that would see the notification of Medium Power Stations below 50MW only being performed effectively at the discretion of the DNO, National Grid notes the following:

- That this change would impact upon connections of Embedded Medium Power Stations in the licensed area of SP Distribution only
- That the proposer of CAA3 notes that this element of the proposal is being put forward to be consistent with the discussions in the Grid Code Regional Differences Working Group.

11.21.3 National Grid's view is that any carve out of obligations for categories of generator in the CUSC is undesirable given that discussions are ongoing

in this area under the Grid Code. Whilst we understand the concerns of the proposer of CAA3 in this area we do not believe that it is appropriate to attempt to pre-empt the outcome of a Grid Code Working Group through modifications to the CUSC.

11.21.4 In terms of an assessment against the Applicable CUSC objectives National Grid believes that CAA3 represents an improvement over the current CUSC baseline in that it clarifies the processes involved for each category of Power Station. However given our reservations over CAA3's ability to allow National Grid to accurately and consistently assess the impact of Embedded generation on the Transmission System, National Grid believes that WGAA2 upon which CAA3 was based remains a more preferable option.

11.22 **National Grid views upon Consultation Alternative Amendments 4 – 6 (CAA4 – CAA6) – proposed by National Grid**

11.22.1 There have been no substantive changes made to the CAP097 original amendment or to each of the Working Group Alternative Amendments other than the amendment of "NGC" within the legal text to "The Company". National Grid's views on CAA4, CAA5 and CAA6 are therefore unchanged from our corresponding views on CAP097 original, WGAA1 and WGAA2. National Grid's views on these amendments may be found earlier in this Amendment Report.

12.0 NATIONAL GRID RECOMMENDATION

12.1 National Grid supports Consultation Alternative Amendment 4, which is in effect CAP097 original adjusted to account for the recent Authority decision on CAP105: National Grid Name Change. National Grid believes that this Alternative Amendment best facilitates the Applicable CUSC objectives out of all the variants of CAP097 that have been proposed throughout the assessment and consultation process. National Grid does believe that other variants of CAP097 that have been developed also better facilitate the Applicable CUSC Objectives, but do so to a lesser extent that CAA4. Of these variants National Grid believes that should CAA4 not be approved by the Authority then the following represents National Grid's ranking of CAP097 and its variants with its most favoured options listed first and the rest in descending order:

1. CAA4
2. CAP097 Original
3. CAA6
4. WGAA2
5. CAA2
6. CAA3
7. CAA1
8. CAA5
9. WGAA1

12.2 In light of the Amendments Panel Recommendation, National Grid would like to make it clear that, whilst proposals CAA1, CAA5 and WGAA1 do better facilitate the Applicable Objectives, the extent to which they do so is, in our view, extremely limited. In contrast, the other proposals, in our view, all to a greater or lesser extent would solve this long term issue.

13.0 AMENDMENTS PANEL RECOMMENDATION

13.1 The CUSC Amendments Panel Recommendation Vote on CAP097 was conducted at the Panel Meeting on 24th February 2006. The results of this vote are summarised below, with details of the reasons given by Panel Members for their votes in subsequent sections.

Voting Summary

13.2 On the question of whether CAP097 would BETTER facilitate achievement of the Applicable CUSC Objectives, the Panel majority vote was as follows:

Original Proposal	- NO
WGAA1	- YES
WGAA2	- YES
CAA1	- YES
CAA2	- YES
CAA3	- NO
CAA4	- NO
CAA5	- YES
CAA6	- YES

The Amendments Panel recommends that the version of CAP097 that would BEST facilitate achievement of the Applicable CUSC Objectives is CAA1.

Vote on which proposals "better" facilitated the applicable objectives

CAP097 Original Proposal

13.3 The Panel voted by 6 votes to 3 that the Original Proposal DID NOT better facilitate the Applicable CUSC Objectives.

13.4 Panel Members who thought the Original Proposal better facilitated the Applicable Objectives did so because they thought it increased efficiency in the planning and operation of the transmission system. They felt that the contractual nature of the proposed mechanism placed appropriate obligations and incentives on both Users and Transmission Owners, and would generally facilitate cost reflectivity. They believed that it provided a clear process, and clarified the information streams required. The Transmission Company representative also noted that this issue had been a problem in the industry for a long time, and in his view this proposal would most optimally allow the cost reflective development of the network going forwards. He believed that the level of administration that would accompany the proposal was proportionate, as was its reach and scope.

13.5 However, other Panel Members felt that, in including Small Power Stations ≥30MW, this option went too far down the capacity scale, which would be disproportionate and potentially bureaucratic. One Panel Member in particular believed that extending the requirement for Final Sums to schemes relating to Small and Medium Power Stations was inappropriate. Others believed that the timescales involved were impractical for DNOs. Another Panel Member stated that he agreed with the arguments set out in paragraphs 8.1, 11.5, 11.8.2, 11.10.4, 11.10.12, 11.14.1, 11.15.1 and 11.16.1 of this document.

WGAA1

13.6 The Panel unanimously voted that WGAA1 DID better facilitate the Applicable CUSC Objectives.

13.7 Panel Members in favour of this proposal believed that, by specifying a clear information flow, it represented an improvement over the current baseline. Some Panel Members particularly favoured this alternative as it covers only Medium Power Stations and excludes any requirements for Final Sums. A Panel Member stated that he agreed with the arguments set out in paragraphs 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.18 and 11.18.2 of this document.

13.8 Although no Panel Members voted against this proposal, many felt that it represented only a marginal improvement over the existing baseline. Panel Members expressed concerns over the lack of timescales specified in the process, and some believed that without Final Sums there would not be the signal of an appropriate level of commitment from Users consistent with Transmission Owners undertaking reinforcement.

WGAA2

13.9 The Panel voted by 7 votes to 2 that WGAA2 DID better facilitate the Applicable CUSC Objectives.

13.10 Panel Members in favour of this proposal believed that it contained all the advantages of the Original Proposal (efficiency, cost-reflectivity, User commitment and a clear process) together with extended timescales in the process. A Panel Member stated that he agreed with the arguments set out in paragraphs 4.21, 4.27, 11.18.2 and 11.20.3 of this document.

13.11 However, Panel Members not in favour of this proposal felt that Small Power Stations ≥30MW should not be included, and one Panel Member in particular believed that extending the requirement for Final Sums to schemes relating to Small and Medium Power Stations was inappropriate. Other Panel Members expressed concern that the proposed timetable would be too long.

CAA1

13.12 The Panel unanimously voted that CAA1 DID better facilitate the Applicable CUSC Objectives.

13.13 Panel Members in favour of this proposal believed that, by specifying a clear information flow, it represented an improvement over the current baseline. Some Panel Members particularly favoured this alternative as it covers only Medium Power Stations and excludes any requirements for Final Sums, and believed that it was superior to WGAA1 in that it includes a clear timetable. A Panel Member stated that he agreed with the arguments set out in paragraphs 4.31 and 11.19.4 of this document.

13.14 Although no Panel Members voted against this proposal, some expressed concern that without Final Sums there would not be the signal of an appropriate level of commitment from Users consistent with Transmission Owners undertaking reinforcement.

CAA2

13.15 The Panel voted by 7 votes to 2 that CAA2 DID better facilitate the Applicable CUSC Objectives.

13.16 Panel Members in favour of this proposal believed that it contained all the advantages of WGAA2 (efficiency, cost-reflectivity, User commitment, a clear process and extended timescales) and additionally was proportionate in that it did not necessarily include Small Power Stations. Some Panel Members believed that it was appropriate that DNOs could include Small Power Stations on a discretionary basis. A Panel Member stated that he agreed with the arguments set out in paragraphs 4.32 and 11.20.3 of this document.

13.17 However, some Panel Members expressed concerns about Final Sums and the lengthy timetable for processing applications under this proposal.

CAA3

13.18 The Panel voted by 7 votes to 2 that CAA3 DID NOT better facilitate the Applicable CUSC Objectives.

13.19 Panel Members were concerned that the exclusion of Medium Power Stations <50MW (effectively those in Scotland) would lead to discrimination on a geographic basis. However, one Panel Member believed that a consistent 50MW threshold across the GB Transmission System was actually advantageous. Another Panel Member noted that, were the recommendations of the Regional Differences Working Group to be implemented, this could become a non-issue.

13.20 Panel Members voting in favour of this alternative believed that, despite the issue of Medium Power Stations in Scotland, it still better facilitated the Applicable Objectives than the current baseline. One Panel Member stated that he agreed with the arguments set out in paragraphs 4.33 and 11.21.4 of this document.

CAA4

13.21 The Panel voted by 6 votes to 3 that CAA4 DID NOT better facilitate the Applicable CUSC Objectives.

13.22 As CAA4 is identical to the Original Proposal, except for the change to the legal text reflecting National Grid's name change, Panel Members' reasons for their votes were identical to those as for the Original Proposal.

CAA5

13.23 The Panel unanimously voted that CAA5 DID better facilitate the Applicable CUSC Objectives.

13.24 As CAA5 is identical to WGAA1, except for the change to the legal text reflecting National Grid's name change, Panel Members' reasons for their votes were identical to those as for WGAA1.

CAA6

13.25 The Panel voted by 7 votes to 2 that CAA6 DID better facilitate the Applicable CUSC Objectives.

13.26 As CAA6 is identical to WGAA2, except for the change to the legal text reflecting National Grid's name change, Panel Members' reasons for their votes were identical to those as for WGAA2.

Panel Recommendation as to which proposal "best" facilitated the applicable objectives

13.27 The Panel voted to recommend that the version of CAP097 that would BEST facilitate achievement of the Applicable CUSC Objectives is CAA1. CAA1 received 6 votes, CAA2 received 2 votes and CAA4 received 1 vote.

13.28 Panel Members favouring CAA1 believed that it was practicable and efficient. One such Panel Member particularly highlighted the exclusion of Small Power Stations, the absence of Final Sums and the improvement over WGAA1 in terms of a clear timetable. Another Panel Member considered that it struck an appropriate balance between the provision of information for the planning of the GB Transmission System and the burden this would place on market participants.

13.29 Panel Members favouring CAA2 believed that it contained all the advantages of WGAA2 (efficiency, cost-reflectivity, User commitment, a clear process and extended timescales) and additionally was proportionate in that it did not necessarily include Small Power Stations. One such Panel Member believed that it would best facilitate an economic transmission system.

13.30 The Transmission Company Panel Member voted in favour of CAA4 and felt that it would emphatically best facilitate the Applicable Objectives through being the most efficient process for the planning and operation of the transmission system. The Panel Member felt that the requirement for Final Sums and the commitment implied by the contractual nature of the proposed mechanism would place appropriate obligations and incentives on both Users and Transmission Owners, and, most importantly, would facilitate the development of the GB Transmission System in a cost reflective manner. He also noted again that whilst CAA1 better facilitated the applicable objectives, the extent to which it did so was very marginal, where-as CAA4 would really solve the problem.

14.0 COMMENTS ON DRAFT AMENDMENT REPORT

14.1 National Grid received 1 response following the publication of the draft Amendment Report. The following table provides an overview of each representation. Copies of the representations are attached as Annex 4.

Reference	Company	Summary of Comments
CAP097-AR-01	CE Electric	Requested that the following text to be added to the Section describing WGAA1. "One distributor argued that the effect of the distribution connection charging regime was that financial liabilities that might arise in respect of the cumulative impact of a number of generation connections could not be backed off across that group of developers unless they all come along together (which is unlikely). Therefore, the impact will generally be felt by single developers, which dilutes the economic signals"

14.2 A further draft of the Amendment Report (Issue 0.4) was circulated to Panel Members for comments to be made on the Amendments Panel Recommendation Vote. No comments were received from Panel Members.

ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC

Part A - Text to give effect to the Proposed Amendment

Revisions to Section 6

6.5.1 (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **NGC** has confirmed to the **User** that those works set out in the relevant **Construction Agreement** have been completed,

(ii) the **User** has confirmed to **NGC** that the requirements of the **Grid Code** which relate to the **Power Station** and any additional **Site Specific Requirements,** as set out in the **User's Bilateral Agreement** have been complied with, and

(iii) the process in Paragraph 6.5.5 has been completed to **NGC**'s reasonable satisfaction.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between an **Embedded Medium Power Station** (other than a **Relevant Embedded Medium Power Station**, where the provisions above shall apply) or an **Embedded Small Power Station** which is the subject of a **Bilateral Agreement** and its **Distribution System** nor permit the use of its **Distribution System** by the same until **NGC** has confirmed to the **User** who owns or operates the relevant **Distribution System** that the person owning or operating the plant has where required completed the **Use of System Application (Generators)** and has entered into a **Bilateral Agreement** in the appropriate form with **NGC**.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the **Use of System Application (Generators)** and has~~ entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **NGC** and (if such person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

6.5.5 **Statement of Works**

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to that **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** submit to **NGC** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.2 In addition to and without prejudice to the provisions of Paragraph 6.5.5.1, if an **Embedded Small Power Station** (other than an **Relevant Embedded Small Power Station**) is connecting to a **Distribution System**, and the **User** who owns or operates the **Distribution System** to which they intend to connect, reasonably believes that such a connection may have a significant system effect on the **GB Transmission System**, then such owner or operator shall, acting in accordance with **Good Industry Practice**, submit a **Request for a Statement to Works** to **NGC**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.3 The **Request for a Statement of Works** must include the Technical Information in respect of such **Power Station** and its proposed date of connection to the **Distribution System**.

6.5.5.4 **NGC** will notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** whether there are works required on the **GB Transmission System** as a result of the proposed connection of such **Power Station**. If **NGC** has notified the **User** that works are required, the **User** may notify **NGC** in writing that it will not be proceeding with the connection of the **Power Station** and therefore that it wishes to withdraw the **Request for a Statement of Works**. Such notification must be received by **NGC** within 5 **Business Days** of **NGC**'s notification that works are required.

6.5.5.5 If **NGC** has notified the **User** that works are required on the **GB Transmission System** and the **User** has not withdrawn the **Request for a Statement of Works** in accordance with 6.5.5.4, the submission of a **Request for a Statement of Works** shall be deemed to be a **Modification Application** by the **User** for the purposes of the **CUSC** and the relevant provisions of the **CUSC** shall apply.

6.5.5.6 If **NGC** has notified the **User** that no works are required on the **GB Transmission System** pursuant to Paragraph 6.5.5.4, **NGC** may notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** that **Site Specific Requirements** are necessary at the site of connection of the **Power Station.** Any **Site Specific Requirements** notified to the **User** shall be incorporated through an agreement to vary the **Bilateral Agreement** between **NGC** and the **User** for the appropriate **Grid Supply Point** of such **User**.

6.5.5.7 If **Site Specific Requirements** are necessary and the **Request for a Statement of Works** has been deemed to be a **Modification Application** pursuant to Paragraph 6.5.5.5, then any such **Site Specific Requirements** shall be included in the **Modification Offer.**

6.5.5.8 The **User** shall notify **NGC** in writing if the proposed date of connection for such **Power Station** for which a **Request for a Statement of Works** has been submitted changes and shall submit a revised **Request for a Statement of Works**.

Revisions to the Definitions

"Relevant Embedded Medium Power Station"	an **Embedded Medium Power Station** which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Relevant Embedded Small Power Station"	an **Embedded Small Power Station**: (a) which is connected (or proposed to be connected) to the same voltage level as the LV side of the **Grid Supply Point**, (b) whose maximum capability to export onto the **Distribution System** as specified (or proposed to be specified) in its **Distribution Connection Agreement** is equal to or greater than the **Small Power Station De-Minimis Level**, and (c) which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the **CUSC**.
"Small Power Station De-Minimis level"	30MW
"Distribution Connection Agreement"	an agreement between a **User** who owns or operates a **Distribution System** and an owner of a **Power Station** for connection to that **User's Distribution System.**
"Modification"	any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a **User** or **NGC** to either the **User's Plant** or **Apparatus** or the manner of its operation or **Transmission Plant** or **Transmission Apparatus** or the manner of its operation which in either case has or may have a **Material Effect** on another **CUSC Party** at a particular **Connection Site** or which is in connection with a **Request for a Statement of Works**;
"Site Specific Requirements"	those requirements reasonably required by **NGC** in accordance with the **Grid Code** at the site of connection of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**.

Introduction of new Exhibit S – Request for a Statement of Works

CUSC - EXHIBIT S

THE CONNECTION AND USE OF SYSTEM CODE

REQUEST FOR A STATEMENT OF WORKS

USER THAT OWNS OR OPERATES A DISTRIBUTION SYSTEM

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

1. **NGC** requires the information requested in this application form for the purposes of assessing the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**. It is essential that the **User** submitting this **Request for a Statement of Works** should supply all information requested in this application form and that every effort should be made to ensure that such information should be accurate.
2. Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.
3. Should **NGC** consider that any information provided is incomplete or unclear or should **NGC** require further information in order that it may assess the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**, the **User** submitting this **Request for a Statement of Works** will be requested to provide further information or clarification.
4. Should there be any change in any information provided by the **User** submitting this **Request for a Statement of Works** after it has been submitted to **NGC**, the **User** submitting this **Request for a Statement of Works** must immediately inform **NGC** of such a change.
5. **NGC** shall charge the **User** submitting this **Request for a Statement of Works**, and the **User** submitting this **Request for a Statement of Works** shall pay to **NGC**, **NGC's Engineering Charges** in relation to the assessment. An advance will be charged by **NGC** in accordance with the **Charging Statements**. No **Request for a Statement of Works** will be considered until such advance has been paid. The balance of the **NGC Engineering Charges** shall be notified and invoiced by **NGC** to the **User** submitting this **Request for a Statement of Works** together with a breakdown of such charges and the **User** submitting this **Request for a Statement of Works** shall pay the same within 28 days of the date of **NGC's** invoice. In the event that the advance and any other payments exceed the appropriate **NGC Engineering Charges** the excess shall be repaid forthwith to the **User** submitting this **Request for a Statement of Works**.
6. The effective date upon which the application is made shall be the later of the date when **NGC** has received the advance application fee pursuant to Paragraph 5 above or the date when **NGC** is reasonably satisfied that the **User** submitting this **Request for a Statement of Works** has completed Sections A-D. **NGC** shall notify the **User** submitting this **Request for a Statement of Works** of such date.
7. **NGC** will assess the **Request for the Statement of Works** in accordance with the terms of Paragraph 6.5.5 (Statement of Works) and (where applicable) Paragraph 6.9 (Modifications) and Paragraph 6.10 (Modifications and New Connection Sites) of the **CUSC** and the **Transmission Licence**.
8. **NGC** will assess the **Request for a Statement of Works** as soon as is reasonably practicable and, in any event, will notify the **User** in accordance with Paragraph 6.5.5 within 28 days of the effective date of the application or such later period as the **Authority** agrees to. Where a **Modification Offer** is required to be made following the assessment of the **Request for a Statement of Works** and where it is necessary to carry out additional extensive system studies to evaluate more fully the impact of the proposed development, **NGC** shall indicate the areas that require more detailed analysis. The **User** submitting this **Request for a Statement of Works** shall indicate whether it wishes **NGC** to undertake the work necessary to make a **Modification Offer** or, whether it wishes to withdraw the **Request for a Statement of Works** in accordance with Paragraph 6.5.5.4. To enable **NGC** to carry out any of the above mentioned necessary detailed system studies the **User** submitting this **Request for a Statement of Works** may, at the request of **NGC**, be required to provide some or all of the **Detailed Planning Data** listed in Part 2 of the Appendix to the **Planning Code** which is part of the **Grid Code**.

9. In the course of processing your **Request for a Statement of Works**, it may be necessary for **NGC** to consult the appropriate **Public Distribution System Operator(s)** on matters of technical compatibility of the **GB Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **GB Transmission System**. On grounds of commercial confidentiality **NGC** shall need your authorisation to the release to the **Public Distribution System Operator(s)** or the **Relevant Transmission Licensees** of certain information contained in your application. Any costs incurred by **NGC** in consulting the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** would be included in the **NGC Charges** for the application. If it is found by the **Public Distribution System Operator(s)** that any work is required on their **Distribution System(s),** then it will be for the Public **Distribution System Operator(s)** and the **User** submitting this **Request for a Statement of Works** to reach agreement in accordance with Paragraph 6.10.3 of the **CUSC.**
10. If the **User** submitting this **Request for a Statement of Works** is not already a **CUSC Party** the **User** submitting this **Request for a Statement of Works** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of the **Grid Code** and the **CUSC** are available on the **NGC** website at **www.nationalgrid.com/uk** and the **User** submitting this **Request for a Statement of Works** is advised to study them carefully. Further copies are available on payment of **NGC's** copying charge, postage and packing. Data submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code.**
11. Any **Modification Offer** will be based to the extent appropriate upon its standard form terms for a **Modification Offer** and the **Charging Statements**. The **User** submitting this **Request for a Statement of Works** should bear in mind **NGC's** standard form terms of offer when making this application.
12. Please complete this application form in black print and return it duly signed to CUSC Panel Secretary, National Grid Electricity Transmisison plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 65 3000).

For the most up to date contact details **Users** submitting this **Request for a Statement of Works** are advised to contact the **NGC** website at:

www.nationalgrid.com/uk

A. DETAILS OF USER SUBMITTING THIS REQUEST FOR A STATEMENT OF WORKS

1. Name: .....

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2. Address: .....

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3. Registered Office/Address (including e-mail address for CUSC notices and Registration Number): .....

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4. Name, title and address of contacts for the purposes of this application, giving description of the field of responsibility of each person:

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5 If **User submitting this Request for a Statement of Works** is an agent, please give name(s) and address(es) of person(s) for whom the **User submitting this Request for a Statement of Works** is acting:

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B THE PROPOSED POINT OF CONNECTION TO A DISTRIBUTION SYSTEM

1. Please identify (preferably by reference to an extract from Ordnance Survey Map) the intended location of the **Plant** and **Apparatus** (the "User Development") which it is desired should be connected to the **Distribution System**.

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2. Please identify the intended **Grid Supply Point** through which that part of the **User's Distribution System** to which the **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** is connected, connects to the **GB Transmission System**.

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C TECHNICAL INFORMATION

Please provide the **Data** listed in Part 1 of the Appendix to the **Planning Code** in respect of the relevant **Distribution System** and the **Embedded Power Station** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data. Note: the **Data** concerned form part of the **Planning Code** and **Data Registration Code**. **User** submitting this **Request for a Statement of Works** should refer to these sections of the **Grid Code** for an explanation.

D PROGRAMME

Please provide the anticipated date when the **Embedded Power Station(s)** will have its connection **Energised**.

REQUEST FOR A STATEMENT OF WORKS

Please study the notes before completing and signing this application form.

1. We hereby submit a **Request for a Statement of Works** in respect of […….] **Embedded Power Station** that is connecting to [……..] **Public Distribution System**.
2. We will promptly inform **NGC** of any change in the information given in this Request for a **Statement of Works** as quickly as practicable after becoming aware of any such change.
3. If we are not already a **CUSC Party** we undertake for the purposes of this application to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.
4. We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** should it be considered necessary.
5. We confirm that we do/do not meet the **Approved Credit Rating** and **NGC Credit Rating**.
6. We confirm that we are applying in the category of [please insert appropriate description from table in paragraph 1.2.4 of the **CUSC**].

Signed:

.....
For and on behalf of the Applicant

Date:.....

END OF EXHIBIT S

Part B – Indicative text to give effect to Working Group Alternative Amendment 1

Revisions to Section 6

6.5.1 (a)

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Medium Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **NGC** has confirmed to the **User** that any works required on the **GB Transmission System** as a result of the request for connection by the **Medium Power Station** have been completed, and,

(ii) the **User** has confirmed to **NGC** that the **Power Station** complies with the relevant requirements of the **Grid Code**.

The **User** shall provide **NGC** with details of the **Medium Power Station** in accordance with the requirements of the **Grid Code** and the proposed date of connection to the **Distribution System**.

The **User** shall notify **NGC** in the event that the proposed date of connection for the **Medium Power Station** changes.

NGC shall inform the **User** within 28 days of such notification whether any works are required on the **GB Transmission System** directly attributable to the request for connection by the **Medium Power Station**. Where such works involve **connection sites**, a **Modification Application** shall be raised.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the Use of System Application (Generators)~~ ~~and has~~ entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **NGC** and (if such person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

Part C – Indicative text to give effect to Working Group Alternative Amendment 2

Revisions to Section 1

1.3.2 Construction Agreements

Each **User** who wishes to construct or modify a direct connection to the **GB Transmission System** or commence or modify use by ~~an~~ his **Embedded Power Station** or **Distribution Interconnector**, or any **Distributor** who wishes to connect a **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** to his system, shall enter into and comply with a **Construction Agreement** in respect of any construction works required as a result of that connection or **Modification**, together with a **Bilateral Agreement** as identified in Paragraph 1.3.1 or, as appropriate, an agreement to vary such **Bilateral Agreement**.

Revisions to Section 6

6.5.1 (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **NGC** has confirmed to the **User** that those works set out in the relevant **Construction Agreement** have been completed,

(ii) the **User** has confirmed to **NGC** that the requirements of the **Grid Code** which relate to the **Power Station** and any additional **Site Specific Requirements**, as set out in the **User's Bilateral Agreement** have been complied with, and

(iii) the process in Paragraph 6.5.5 has been completed to **NGC**'s reasonable satisfaction.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between an **Embedded Medium Power Station** (other than a **Relevant Embedded Medium Power Station**, where the provisions above shall apply) or an **Embedded Small Power Station** which is the subject of a **Bilateral Agreement** and its **Distribution System** nor permit the use of its **Distribution System** by the same until **NGC** has confirmed to the **User** who owns or operates the relevant **Distribution System** that the person owning or operating the plant has where required completed the **Use of System Application (Generators)** and has entered into a **Bilateral Agreement** in the appropriate form with **NGC**.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the Use of System Application (Generators) and has~~ entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **NGC** and (if such person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

6.5.5 **Statement of Works**

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to that **User's Distribution System** from a **Relevant Embedded Medium Power**

Station or a **Relevant Embedded Small Power Station** submit to **NGC** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.2 In addition to and without prejudice to the provisions of Paragraph 6.5.5.1, if an **Embedded Small Power Station** (other than an **Relevant Embedded Small Power Station**) is connecting to a **Distribution System**, and the **User** who owns or operates the **Distribution System** to which they intend to connect, reasonably believes that such a connection may have a significant system effect on the **GB Transmission System**, then such owner or operator shall, acting in accordance with **Good Industry Practice**, submit a **Request for a Statement to Works** to **NGC**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.3 The **Request for a Statement of Works** must include the Technical Information in respect of such **Power Station** and its proposed date of connection to the **Distribution System**.

6.5.5.4 **NGC** will notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** whether there are works required on the **GB Transmission System** as a result of the proposed connection of such **Power Station**.

6.5.5.5 The **User** who owns or operates a **Distribution System** shall have 90 **Business Days** from such notification under 6.5.5.4 to confirm to **NGC** in writing whether, in consultation with the proposed power station developer, it wishes to proceed with the project. The **User** shall then, as required by the **Statement of Works**, either:

- complete and submit to **NGC** a **Modification Application,** and comply with the terms thereof, in accordance with 6.9. For the avoidance of doubt, such **Modification Application** shall be required only when the **Statement of Works** shows that modifications to **Connection Assets** would be needed; or
- enter into and comply with a **Construction Agreement** in respect of any construction works, together with an agreement to vary the relevant **Bilateral Agreement**, in each case as identified in the **Statement of Works** and in accordance with 1.3.2.

6.5.5.6 If **NGC** has notified the **User** that no works are required on the **GB Transmission System** pursuant to Paragraph 6.5.5.4, **NGC** may notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** that **Site Specific Requirements** are necessary at the site of connection of the **Power Station.** Any **Site Specific Requirements** notified to the **User** shall be incorporated through an agreement to vary the **Bilateral Agreement** between **NGC** and the **User** for the appropriate **Grid Supply Point** of such **User**.

6.5.5.7 If **Site Specific Requirements** are necessary and the **Request for a Statement of Works** has been deemed to be a **Modification Application** pursuant to Paragraph 6.5.5.5, then any such **Site Specific Requirements** shall be included in the **Modification Offer.**

6.5.5.8 The **User** shall notify **NGC** in writing if the proposed date of connection for such **Power Station** for which a **Request for a Statement of Works** has been submitted changes and shall submit a revised **Request for a Statement of Works**.

Revisions to the Definitions

"Relevant Embedded Medium Power Station	an **Embedded Medium Power Station** which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Relevant Embedded Small Power Station"	an **Embedded Small Power Station**: (a) which is connected (or proposed to be connected) to the same voltage level as the LV side of the **Grid Supply Point**, (b) whose maximum capability to export onto the **Distribution System** as specified (or proposed to be specified) in its **Distribution Connection Agreement** is equal to or greater than the **Small Power Station De-Minimis Level**, and (c) which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the **CUSC**.
"Small Power Station De-Minimis level"	30MW
"Distribution Connection Agreement"	an agreement between a **User** who owns or operates a **Distribution System** and an owner of a **Power Station** for connection to that **User's Distribution System**.
"Site Specific Requirements"	those requirements reasonably required by **NGC** in accordance with the **Grid Code** at the site of connection of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**.

Introduction of new Exhibit S – Request for a Statement of Works

CUSC - EXHIBIT S

THE CONNECTION AND USE OF SYSTEM CODE

REQUEST FOR A STATEMENT OF WORKS

USER THAT OWNS OR OPERATES A DISTRIBUTION SYSTEM

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

1 **NGC** requires the information requested in this application form for the purposes of assessing the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**. It is essential that the **User** submitting this **Request for a Statement of Works** should supply all information requested in this application form and that every effort should be made to ensure that such information should be accurate.

2 Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.

3 Should **NGC** consider that any information provided is incomplete or unclear or should **NGC** require further information in order that it may assess the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**, the **User** submitting this **Request for a Statement of Works** will be requested to provide further information or clarification.

4 Should there be any change in any information provided by the **User** submitting this **Request for a Statement of Works** after it has been submitted to **NGC**, the **User** submitting this **Request for a Statement of Works** must immediately inform **NGC** of such a change.

5 **NGC** shall charge the **User** submitting this **Request for a Statement of Works**, and the **User** submitting this **Request for a Statement of Works** shall pay to **NGC**, **NGC's** Engineering Charges in relation to the assessment. An advance will be charged by **NGC** in accordance with the **Charging Statements**. No **Request for a Statement of Works** will be considered until such advance has been paid. The balance of the **NGC** Engineering Charges shall be notified and invoiced by **NGC** to the **User** submitting this **Request for a Statement of Works** together with a breakdown of such charges and the **User** submitting this **Request for a Statement of Works** shall pay the same within 28 days of the date of **NGC's** invoice. In the event that the advance and any other payments exceed the appropriate **NGC** Engineering Charges the excess shall be repaid forthwith to the **User** submitting this **Request for a Statement of Works**.

6 The effective date upon which the application is made shall be the later of the date when **NGC** has received the advance application fee pursuant to Paragraph 5 above or the date when **NGC** is reasonably satisfied that the **User** submitting this **Request for a Statement of Works** has completed Sections A-D. **NGC** shall notify the **User** submitting this **Request for a Statement of Works** of such date.

7 **NGC** will assess the **Request for the Statement of Works** in accordance with the terms of Paragraph 6.5.5 (**Statement of Works**) and (where applicable) Paragraph 6.9 (**Modifications**) and Paragraph 6.10 (**Modifications** and **New Connection Sites**) of the **CUSC** and the **Transmission Licence**.

8 **NGC** will assess the **Request for a Statement of Works** as soon as is reasonably practicable and, in any event, will notify the **User** in accordance with Paragraph 6.5.5 within 28 days of the effective date of the application or such later period as the **Authority** agrees to. Where a **Modification Offer** is required to be made following the assessment of the **Request for a Statement of Works** and where it is necessary to carry out additional extensive system studies to evaluate more fully the impact of the proposed development, **NGC** shall indicate the areas that require more detailed analysis. The **User** submitting this **Request for a Statement of Works** shall indicate whether it wishes **NGC** to undertake the work necessary to make a **Modification Offer** or, whether it wishes to withdraw the **Request for a Statement of Works** in accordance with Paragraph 6.5.5.4. To enable **NGC** to carry out any of the above mentioned necessary detailed system studies the **User** submitting this **Request for a Statement of Works** may, at the request of **NGC**, be required to provide some or all of the **Detailed Planning Data** listed in Part 2 of the Appendix to the **Planning Code** which is part of the **Grid Code**.

9 In the course of processing your **Request for a Statement of Works**, it may be

necessary for **NGC** to consult the appropriate **Public Distribution System Operator(s)** on matters of technical compatibility of the **GB Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **GB Transmission System**. On grounds of commercial confidentiality **NGC** shall need your authorisation to the release to the **Public Distribution System Operator(s)** or the **Relevant Transmission Licensees** of certain information contained in your application. Any costs incurred by **NGC** in consulting the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** would be included in the **NGC Charges** for the application. If it is found by the **Public Distribution System Operator(s)** that any work is required on their **Distribution System(s)**, then it will be for the **Public Distribution System Operator(s)** and the **User submitting this Request for a Statement of Works** to reach agreement in accordance with Paragraph 6.10.3 of the **CUSC**.

10 If the **User** submitting this **Request for a Statement of Works** is not already a **CUSC Party** the **User** submitting this **Request for a Statement of Works** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of the **Grid Code** and the **CUSC** are available on the **NGC** website at www.nationalgrid.com/uk and the **User** submitting this **Request for a Statement of Works** is advised to study them carefully. Further copies are available on payment of **NGC's** copying charge, postage and packing. **Data** submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code**.

11 Any **Modification Offer** will be based to the extent appropriate upon its standard form terms for a **Modification Offer** and the **Charging Statements**. The **User** submitting this **Request for a Statement of Works** should bear in mind **NGC's** standard form terms of offer when making this application.

12 Please complete this application form in black print and return it duly signed to **CUSC Panel Secretary**, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 65 3000).

For the most up to date contact details **Users** submitting this **Request for a Statement of Works** are advised to contact the **NGC** website at:

www.nationalgrid.com/uk

A. DETAILS OF USER SUBMITTING THIS REQUEST FOR A STATEMENT OF WORKS

1. Name: .....

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2. Address: .....

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3. Registered Office/Address (including e-mail address for CUSC notices and Registration Number): .....

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4. Name, title and address of contacts for the purposes of this application, giving description of the field of responsibility of each person:

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5 If **User submitting this Request for a Statement of Works** is an agent, please give name(s) and address(es) of person(s) for whom the **User submitting this Request for a Statement of Works** is acting:

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B THE PROPOSED POINT OF CONNECTION TO A DISTRIBUTION SYSTEM

1. Please identify (preferably by reference to an extract from Ordnance Survey Map) the intended location of the **Plant** and **Apparatus** (the "User Development") which it is desired should be connected to the **Distribution System**.

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2. Please identify the intended **Grid Supply Point** through which that part of the **User's Distribution System** to which the **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** is connected, connects to the **GB Transmission System**.

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C TECHNICAL INFORMATION

Please provide the **Data** listed in Part 1 of the Appendix to the **Planning Code** in respect of the relevant **Distribution System** and the **Embedded Power Station** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data. Note: the **Data** concerned form part of the **Planning Code** and **Data Registration Code**. **User** submitting this **Request for a Statement of Works** should refer to these sections of the **Grid Code** for an explanation.

D PROGRAMME

Please provide the anticipated date when the **Embedded Power Station(s)** will have its connection **Energised**.

REQUEST FOR A STATEMENT OF WORKS

Please study the notes before completing and signing this application form.

1 We hereby submit a **Request for a Statement of Works** in respect of […….] **Embedded Power Station** that is connecting to [……..] **Public Distribution System**.

2 We will promptly inform **NGC** of any change in the information given in this **Request for a Statement of Works** as quickly as practicable after becoming aware of any such change.

3 If we are not already a **CUSC Party** we undertake for the purposes of this application to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.

4 We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** should it be considered necessary.

5 We confirm that we do/do not meet the **Approved Credit Rating** and **NGC Credit Rating**.

6 We confirm that we are applying in the category of [please insert appropriate description from table in paragraph 1.2.4 of the **CUSC**].

Signed:

.....
For and on behalf of the Applicant

Date:.....

END OF EXHIBIT S

Part D – Indicative text to give effect to Consultation Alternative Amendment 1 proposed by CE Electric

Revisions to Section 6

6.5.1 (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Medium Power Station** and its **Distribution System** until:

(i) **The Company** has confirmed to the **User** that any works required on the **GB Transmission System** to permit **Energisation** of the **Medium Power Station** have been completed, and

(ii) the **User** has confirmed to **The Company** that the **Power Station** complies with the relevant requirements of the **Grid Code**.

The **User** shall provide **The Company** with details of the **Medium Power Station** in accordance with the requirements of the **Grid Code** and the proposed date of connection to the **Distribution System**.

The **User** shall notify **The Company** in the event that the proposed date of connection for the **Medium Power Station** changes.

The Company shall inform the **User**:

(i) within 28 days of such notification, whether any works are required on the **GB Transmission System** to permit **Energisation** of the **Medium Power Station**(s); and

(ii) within 90 days of such notification, of the timescales for completion of those works.

Where such works involve connection sites, a **Modification Application** shall be raised.

The **User** shall notify **The Company** in writing if the proposed date of connection for such a **Power Station** changes. **The Company** shall notify the **User** in writing if the proposed date for completion of such transmission works changes.

Any User who owns or operates a Distribution System shall not Energise the connection between ~~any~~ a Large Power Station (other than an Embedded Exemptable Large Power Station where the provisions of Paragraph 6.5.1(b) and (c) apply only) and its Distribution System nor permit the use of its **Distribution System** by the same until the person owning or operating the plant has where required completed the **Use of System Application** (**Generators**) and has entered into a **Bilateral Agreement** in the appropriate form (if any) with **The Company** and (if such person is not already a party to the **CUSC)** has where required entered into an **Accession Agreement** pursuant to this Section 6.

Part E – Indicative text to give effect to Consultation Alternative Amendment 2 proposed by EdF Energy

Revisions to Section 1

1.3.2 Construction Agreements

Each **User** who wishes to construct or modify a direct connection to the **GB Transmission System** or commence or modify use by ~~an~~ his **Embedded Power Station** or **Distribution Interconnector**, or any **Distributor** who wishes to connect a **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** to his system, shall enter into and comply with a **Construction Agreement** in respect of any construction works required as a result of that connection or **Modification**, together with a **Bilateral Agreement** as identified in Paragraph 1.3.1 or, as appropriate, an agreement to vary such **Bilateral Agreement**.

Revisions to Section 6

6.5.1 (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **The Company** has confirmed to the **User** that those works set out in the relevant **Construction Agreement** have been completed,

(ii) the **User** has confirmed to **The Company** that the requirements of the **Grid Code** which relate to the **Power Station** and any additional **Site Specific Requirements,** as set out in the **User's Bilateral Agreement** have been complied with, and

(iii) the process in Paragraph 6.5.5 has been completed to **The Company**'s reasonable satisfaction.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between an **Embedded Medium Power Station** (other than a **Relevant Embedded Medium Power Station**, where the provisions above shall apply) or an **Embedded Small Power Station** which is the subject of a **Bilateral Agreement** and its **Distribution System** nor permit the use of its **Distribution System** by the same until **The Company** has confirmed to the **User** who owns or operates the relevant **Distribution System** that the person owning or operating the plant has where required completed the **Use of System Application (Generators)** and has entered into a **Bilateral Agreement** in the appropriate form with **The Company**.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the Use of System Application (Generators) and has~~ entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **The Company** and (if such person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

6.5.5 **Statement of Works**

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to that **User's Distribution System** from a **Relevant Embedded Medium Power**

Station or a **Relevant Embedded Small Power Station** submit to **The Company** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.2 The **Request for a Statement of Works** must include the Technical Information in respect of such **Power Station** and its proposed date of connection to the **Distribution System**.

6.5.5.3 **The Company** will notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** whether there are works required on the **GB Transmission System** as a result of the proposed connection of such **Power Station**.

6.5.5.4 The **User** who owns or operates a **Distribution System** shall have 90 **Business Days** from such notification under 6.5.5.3 to confirm to **The Company** in writing whether, in consultation with the proposed power station developer, it wishes to proceed with the project. Should the User fail to notify **The Company** within 90 **Business Days**, the **Request for a Statement of Works** shall be deemed withdrawn and the **User** shall not energise the connection of the **Power Station** that was subject to the **Request for a Statement of Works**.

The **User** shall then, as required by the **Statement of Works**, either:

- complete and submit to **The Company** a **Modification Application,** and comply with the terms thereof, in accordance with 6.9. For the avoidance of doubt, such **Modification Application** shall be required only when the **Statement of Works** shows that modifications to **Connection Assets** would be needed; or
- enter into and comply with a **Construction Agreement** in respect of any construction works, together with an agreement to vary the relevant **Bilateral Agreement**, in each case as identified in the **Statement of Works** and in accordance with 1.3.2.

6.5.5.5 If **The Company** has notified the **User** that no works are required on the **GB Transmission System** pursuant to Paragraph 6.5.5.3, **The Company** may notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** that **Site Specific Requirements** are necessary at the site of connection of the **Power Station.** Any **Site Specific Requirements** notified to the **User** shall be incorporated through an agreement to vary the **Bilateral Agreement** between **The Company** and the **User** for the appropriate **Grid Supply Point** of such **User**.

6.5.5.6 If **Site Specific Requirements** are necessary and a **Modification Application** has been submitted pursuant to Paragraph 6.5.5.4, then any such **Site Specific Requirements** shall be included in the **Modification Offer.**

6.5.5.7 The **User** shall notify **The Company** in writing if the proposed date of connection for such **Power Station** for which a **Request for a Statement of Works** has been submitted changes and shall submit a revised **Request for a Statement of Works**.

Revisions to the Definitions

"Relevant Embedded Medium Power Station	an **Embedded Medium Power Station** which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Relevant Embedded Small Power Station"	an **Embedded Small Power Station** that the **User** who owns or operates the **Distribution System** to which the **Embedded Small Power Station** intends to connect reasonably believes may have a significant system effect on the **GB Transmission System**.
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the **CUSC**.
"Distribution Connection Agreement"	an agreement between a **User** who owns or operates a **Distribution System** and an owner of a **Power Station** for connection to that **User's Distribution System**.
"Site Specific Requirements"	those requirements reasonably required by **The Company** in accordance with the **Grid Code** at the site of connection of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**.

Introduction of new Exhibit S – Request for a Statement of Works

CUSC - EXHIBIT S

THE CONNECTION AND USE OF SYSTEM CODE

REQUEST FOR A STATEMENT OF WORKS

USER THAT OWNS OR OPERATES A DISTRIBUTION SYSTEM

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

1 **The Company** requires the information requested in this application form for the purposes of assessing the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**. It is essential that the **User** submitting this **Request for a Statement of Works** should supply all information requested in this application form and that every effort should be made to ensure that such information should be accurate.

2 Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.

3 Should **The Company** consider that any information provided is incomplete or unclear or should **The Company** require further information in order that it may assess the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**, the **User** submitting this **Request for a Statement of Works** will be requested to provide further information or clarification.

4 Should there be any change in any information provided by the **User** submitting this **Request for a Statement of Works** after it has been submitted to **The Company**, the **User** submitting this **Request for a Statement of Works** must immediately inform **The Company** of such a change.

5 **The Company** shall charge the **User** submitting this **Request for a Statement of Works**, and the **User** submitting this **Request for a Statement of Works** shall pay to **The Company**, **The Company's** Engineering Charges in relation to the assessment. An advance will be charged by **The Company** in accordance with the **Charging Statements**. No **Request for a Statement of Works** will be considered until such advance has been paid. The balance of the **The Company** Engineering Charges shall be notified and invoiced by **The Company** to the **User** submitting this **Request for a Statement of Works** together with a breakdown of such charges and the **User** submitting this **Request for a Statement of Works** shall pay the same within 28 days of the date of **The Company's** invoice. In the event that the advance and any other payments exceed the appropriate **The Company** Engineering Charges the excess shall be repaid forthwith to the **User** submitting this **Request for a Statement of Works**.

6 The effective date upon which the application is made shall be the later of the date when **The Company** has received the advance application fee pursuant to Paragraph 5 above or the date when **The Company** is reasonably satisfied that the **User** submitting this **Request for a Statement of Works** has completed Sections A-D. **The Company** shall notify the **User** submitting this **Request for a Statement of Works** of such date.

7 **The Company** will assess the **Request for the Statement of Works** in accordance with the terms of Paragraph 6.5.5 (**Statement of Works**) and (where applicable) Paragraph 6.9 (**Modifications**) and Paragraph 6.10 (**Modifications** and **New Connection Sites**) of the **CUSC** and the **Transmission Licence**.

8 **The Company** will assess the **Request for a Statement of Works** as soon as is reasonably practicable and, in any event, will notify the **User** in accordance with Paragraph 6.5.5 within 28 days of the effective date of the application or such later period as the **Authority** agrees to. Where a **Modification Offer** is required to be made following the assessment of the **Request for a Statement of Works** and where it is necessary to carry out additional extensive system studies to evaluate more fully the impact of the proposed development, **The Company** shall indicate the areas that require more detailed analysis. The **User** submitting this **Request for a Statement of Works** shall indicate whether it wishes **The Company** to undertake the work necessary to make a **Modification Offer** or, whether it wishes to withdraw the **Request for a Statement of Works** in accordance with Paragraph 6.5.5.4. To enable **The Company** to carry out any of the above mentioned necessary detailed system studies the **User** submitting this **Request for a Statement of Works** may, at the request of **The Company**, be required to provide some or all of the **Detailed**

Planning Data listed in Part 2 of the Appendix to the **Planning Code** which is part of the **Grid Code**.

9 In the course of processing your **Request for a Statement of Works**, it may be necessary for **The Company** to consult the appropriate **Public Distribution System Operator(s)** on matters of technical compatibility of the **GB Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **GB Transmission System**. On grounds of commercial confidentiality **The Company** shall need your authorisation to the release to the **Public Distribution System Operator(s)** or the **Relevant Transmission Licensees** of certain information contained in your application. Any costs incurred by **The Company** in consulting the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** would be included in the **The Company Charges** for the application. If it is found by the **Public Distribution System Operator(s)** that any work is required on their **Distribution System(s)**, then it will be for the **Public Distribution System Operator(s)** and the **User submitting this Request for a Statement of Works** to reach agreement in accordance with Paragraph 6.10.3 of the **CUSC**.

10 If the **User** submitting this **Request for a Statement of Works** is not already a **CUSC Party** the **User** submitting this **Request for a Statement of Works** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of the **Grid Code** and the **CUSC** are available on the **The Company** website at www.nationalgrid.com/uk and the **User** submitting this **Request for a Statement of Works** is advised to study them carefully. Further copies are available on payment of **The Company's** copying charge, postage and packing. **Data** submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code**.

11 Any **Modification Offer** will be based to the extent appropriate upon its standard form terms for a **Modification Offer** and the **Charging Statements**. The **User** submitting this **Request for a Statement of Works** should bear in mind **The Company's** standard form terms of offer when making this application.

12 Please complete this application form in black print and return it duly signed to **CUSC Panel Secretary**, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 65 3000).

For the most up to date contact details **Users** submitting this **Request for a Statement of Works** are advised to contact the **The Company** website at:

www.nationalgrid.com/uk

A. DETAILS OF USER SUBMITTING THIS REQUEST FOR A STATEMENT OF WORKS

1. Name: .....

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2. Address: .....

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3. Registered Office/Address (including e-mail address for CUSC notices and Registration Number): .....

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4. Name, title and address of contacts for the purposes of this application, giving description of the field of responsibility of each person:

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5 If **User submitting this Request for a Statement of Works** is an agent, please give name(s) and address(es) of person(s) for whom the **User submitting this Request for a Statement of Works** is acting:

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B THE PROPOSED POINT OF CONNECTION TO A DISTRIBUTION SYSTEM

1. Please identify (preferably by reference to an extract from Ordnance Survey Map) the intended location of the **Plant** and **Apparatus** (the "User Development") which it is desired should be connected to the **Distribution System**.

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2. Please identify the intended **Grid Supply Point** through which that part of the **User's Distribution System** to which the **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** is connected, connects to the **GB Transmission System**.

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C TECHNICAL INFORMATION

Please provide the **Data** listed in Part 1 of the Appendix to the **Planning Code** in respect of the relevant **Distribution System** and the **Embedded Power Station** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data. Note: the **Data** concerned form part of the **Planning Code** and **Data Registration Code**. **User** submitting this **Request for a Statement of Works** should refer to these sections of the **Grid Code** for an explanation.

D PROGRAMME

Please provide the anticipated date when the **Embedded Power Station(s)** will have its connection **Energised**.

REQUEST FOR A STATEMENT OF WORKS

Please study the notes before completing and signing this application form.

1 We hereby submit a **Request for a Statement of Works** in respect of […….] **Embedded Power Station** that is connecting to [……..] **Public Distribution System**.

2 We will promptly inform **The Company** of any change in the information given in this **Request for a Statement of Works** as quickly as practicable after becoming aware of any such change.

3 If we are not already a **CUSC Party** we undertake for the purposes of this application to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.

4 We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** should it be considered necessary.

5 We confirm that we do/do not meet the **Approved Credit Rating** and **The Company Credit Rating**.

6 We confirm that we are applying in the category of [please insert appropriate description from table in paragraph 1.2.4 of the **CUSC**].

Signed:

.....
For and on behalf of the Applicant

Date:.....

END OF EXHIBIT S

Part F - Text to give effect to Consultation Alternative Amendment 3 proposed by SP Transmission & Distribution

Revisions to Section 1

1.3.2 Construction Agreements

Each **User** who wishes to construct or modify a direct connection to the **GB Transmission System** or commence or modify use by ~~an~~ his **Embedded Power Station** or **Distribution Interconnector**, or any **Distributor** who wishes to connect a **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** to his system, shall enter into and comply with a **Construction Agreement** in respect of any construction works required as a result of that connection or **Modification**, together with a **Bilateral Agreement** as identified in Paragraph 1.3.1 or, as appropriate, an agreement to vary such **Bilateral Agreement**.

Revisions to Section 6

6.5.1 (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **The Company** has confirmed to the **User** that those works set out in the relevant **Construction Agreement** have been completed,

(ii) the **User** has confirmed to **The Company** that the requirements of the **Grid Code** which relate to the **Power Station** and any additional **Site Specific Requirements**, as set out in the **User's Bilateral Agreement** have been complied with, and

(iii) the process in Paragraph 6.5.5 has been completed to **The Company**'s reasonable satisfaction.

(b) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between the following categories of **Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until **The Company** has confirmed to the **User** who owns or operates the relevant **Distribution System** that the person owning or operating the **Power Station** has where required completed the **Use of System Application (Generators)** and has entered into a **Bilateral Agreement** in the appropriate form with **The Company**:

(i) an **Embedded Medium Power Station** which is or where the person owning or operating the **Power Station** intends it to be the subject of a **Bilateral Agreement** (other than a **Relevant Embedded Medium Power Station**, where the provisions above shall apply)

(ii) an **Embedded Small Power Station** which is or where the person owning or operating the **Power Station** intends it to be the subject of a **Bilateral Agreement.**

(c) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the Use of System Application (Generators) and has~~ entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **The Company** and (if such

person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

(~~b~~d) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between any **Embedded Exemptable Large Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person who owns or operates the relevant **Embedded Exemptable Large Power Station** has (if such person is not already a party to the **CUSC**) entered into an **Accession Agreement**, and until **The Company** has confirmed to the **User** that any **Transmission Reinforcement Works** associated with the **Embedded Exemptable Large Power Station** listed in the relevant **Construction Agreement** have been completed.

~~(c)~~(e) Without prejudice to Paragraph 6.5.1(~~b~~d), any **User** who owns or operates a **Distribution System** shall use its best endeavours to procure that any person who owns or operates an **Embedded Exemptable Large Power Station** and with whom the **User** has an agreement for connection to or use of the **User's Distribution System** shall (if such person is not already a party to the **CUSC**) enter into an **Accession Agreement**.

~~(d)~~(f) Sub-paragraphs (~~b~~d) and (~~ce~~) do not apply to any **User** who owns or operates a **Distribution System** in relation an **Embedded Exemptable Large Power Station** which is **Embedded** in a part of the **User's Distribution System** that is not directly or indirectly connected to the **GB Transmission System** in respect of that **Embedded Exemptable Large Power Station**.

6.5.5 **Statement of Works**

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to that **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** submit to **The Company** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.2 The **Request for a Statement of Works** must include the Technical Information in respect of such **Power Station** and its proposed date of connection to the **Distribution System**.

6.5.5.3 **The Company** will notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** whether there are works required on the **GB Transmission System** as a result of the proposed connection of such **Power Station**.

6.5.5.4 The **User** who owns or operates a **Distribution System** shall have 90 **Business Days** from such notification under 6.5.5.3 to confirm to **The Company** in writing whether, in consultation with the proposed power station developer, it wishes to proceed with the project. The **User** shall then, as required by the **Statement of Works**, either:

- complete and submit to **The Company** a **Modification Application**, and comply with the terms thereof, in accordance with 6.9. For the avoidance of doubt, such **Modification Application** shall be required only when the **Statement of Works** shows that modifications to **Connection Assets** would be needed; or
- enter into and comply with a **Construction Agreement** in respect of any construction works, together with an agreement to vary the relevant **Bilateral Agreement**, in each case as identified in the **Statement of Works** and in accordance with 1.3.2.

6.5.5.5 If **The Company** has notified the **User** that no works are required on the **GB Transmission System** pursuant to Paragraph 6.5.5.3, **The Company** may notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** that **Site Specific Requirements** are necessary at the site of connection of the **Power Station.** Any **Site Specific Requirements** notified to the **User** shall be incorporated through an agreement to vary the **Bilateral Agreement** between **The Company** and the **User** for the appropriate **Grid Supply Point** of such **User**.

6.5.5.6 If **Site Specific Requirements** are necessary and a **Modification Application** has been submitted pursuant to Paragraph 6.5.5.4, then any such **Site Specific Requirements** shall be included in the **Modification Offer.**

6.5.5.7 The **User** shall notify **The Company** in writing if the proposed date of connection for such **Power Station** for which a **Request for a Statement of Works** has been submitted changes and shall submit a revised **Request for a Statement of Works**.

Revisions to the Definitions

"Relevant Embedded Medium Power Station	an **Embedded Medium Power Station** which is a) an **Exempt Power Station**, and b) where the person owning or operating the **Power Station** does not intend the **Power Station** to be the subject of a **Bilateral Agreement**, and c) either: (i) the maximum capacity to export onto the **Distribution System** as specified (or proposed to be specified) in the **Distribution Connection Agreement** is equal to or greater than 50MW, or (ii) the **User** who owns or operates the **Distribution System** to which the **Embedded Medium Power Station** intends to connect reasonably believes that the **Embedded Medium Power Station** may have a significant effect on the **GB Transmission System**
"Relevant Embedded Small Power Station"	an **Embedded Small Power Station** that the **User** who owns or operates the **Distribution System** to which the **Embedded Small Power Station** intends to connect reasonably believes may have a significant system effect on the **GB Transmission System**.
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the **CUSC**.
"Distribution Connection Agreement"	an agreement between a **User** who owns or operates a **Distribution System** and an owner of a **Power Station** for connection to that **User's Distribution System**.
"Site Specific Requirements"	those requirements reasonably required by **The Company** in accordance with the **Grid Code** at the site of connection of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**.

Introduction of new Exhibit S – Request for a Statement of Works

CUSC - EXHIBIT S

THE CONNECTION AND USE OF SYSTEM CODE

REQUEST FOR A STATEMENT OF WORKS

USER THAT OWNS OR OPERATES A DISTRIBUTION SYSTEM

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

1 **The Company** requires the information requested in this application form for the purposes of assessing the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**. It is essential that the **User** submitting this **Request for a Statement of Works** should supply all information requested in this application form and that every effort should be made to ensure that such information should be accurate.

2 Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.

3 Should **The Company** consider that any information provided is incomplete or unclear or should **The Company** require further information in order that it may assess the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**, the **User** submitting this **Request for a Statement of Works** will be requested to provide further information or clarification.

4 Should there be any change in any information provided by the **User** submitting this **Request for a Statement of Works** after it has been submitted to **The Company**, the **User** submitting this **Request for a Statement of Works** must immediately inform **The Company** of such a change.

5 **The Company** shall charge the **User** submitting this **Request for a Statement of Works**, and the **User** submitting this **Request for a Statement of Works** shall pay to **The Company**, **The Company's** Engineering Charges in relation to the assessment. An advance will be charged by **The Company** in accordance with the **Charging Statements**. No **Request for a Statement of Works** will be considered until such advance has been paid. The balance of the **The Company** Engineering Charges shall be notified and invoiced by **The Company** to the **User** submitting this **Request for a Statement of Works** together with a breakdown of such charges and the **User** submitting this **Request for a Statement of Works** shall pay the same within 28 days of the date of **The Company's** invoice. In the event that the advance and any other payments exceed the appropriate **The Company** Engineering Charges the excess shall be repaid forthwith to the **User** submitting this **Request for a Statement of Works**.

6 The effective date upon which the application is made shall be the later of the date when **The Company** has received the advance application fee pursuant to Paragraph 5 above or the date when **The Company** is reasonably satisfied that the **User** submitting this **Request for a Statement of Works** has completed Sections A-D. **The Company** shall notify the **User** submitting this **Request for a Statement of Works** of such date.

7 **The Company** will assess the **Request for the Statement of Works** in accordance with the terms of Paragraph 6.5.5 (**Statement of Works**) and (where applicable) Paragraph 6.9 (**Modifications**) and Paragraph 6.10 (**Modifications** and **New Connection Sites**) of the **CUSC** and the **Transmission Licence**.

8 **The Company** will assess the **Request for a Statement of Works** as soon as is reasonably practicable and, in any event, will notify the **User** in accordance with Paragraph 6.5.5 within 28 days of the effective date of the application or such later period as the **Authority** agrees to. Where a **Modification Offer** is required to be made following the assessment of the **Request for a Statement of Works** and where it is necessary to carry out additional extensive system studies to evaluate more fully the impact of the proposed development, **The Company** shall indicate the areas that require more detailed analysis. The **User** submitting this **Request for a Statement of Works** shall indicate whether it wishes **The Company** to undertake the work necessary to make a **Modification Offer** or, whether it wishes to withdraw the **Request for a Statement of Works** in accordance with Paragraph 6.5.5.4. To enable **The Company** to carry out any of the above mentioned necessary detailed system studies the **User** submitting this **Request for a Statement of Works** may, at the request of **The Company**, be required to provide some or all of the **Detailed**

Planning Data listed in Part 2 of the Appendix to the **Planning Code** which is part of the **Grid Code**.

9 In the course of processing your **Request for a Statement of Works**, it may be necessary for **The Company** to consult the appropriate **Public Distribution System Operator(s)** on matters of technical compatibility of the **GB Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **GB Transmission System**. On grounds of commercial confidentiality **The Company** shall need your authorisation to the release to the **Public Distribution System Operator(s)** or the **Relevant Transmission Licensees** of certain information contained in your application. Any costs incurred by **The Company** in consulting the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** would be included in the **The Company Charges** for the application. If it is found by the **Public Distribution System Operator(s)** that any work is required on their **Distribution System(s)**, then it will be for the **Public Distribution System Operator(s)** and the **User submitting this Request for a Statement of Works** to reach agreement in accordance with Paragraph 6.10.3 of the **CUSC**.

10 If the **User** submitting this **Request for a Statement of Works** is not already a **CUSC Party** the **User** submitting this **Request for a Statement of Works** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of the **Grid Code** and the **CUSC** are available on the **The Company** website at www.nationalgrid.com/uk and the **User** submitting this **Request for a Statement of Works** is advised to study them carefully. Further copies are available on payment of **The Company's** copying charge, postage and packing. **Data** submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code**.

11 Any **Modification Offer** will be based to the extent appropriate upon its standard form terms for a **Modification Offer** and the **Charging Statements**. The **User** submitting this **Request for a Statement of Works** should bear in mind **The Company's** standard form terms of offer when making this application.

12 Please complete this application form in black print and return it duly signed to **CUSC Panel Secretary**, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 65 3000).

For the most up to date contact details **Users** submitting this **Request for a Statement of Works** are advised to contact the **The Company** website at:

www.nationalgrid.com/uk

A. DETAILS OF USER SUBMITTING THIS REQUEST FOR A STATEMENT OF WORKS

1. Name: .....

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2. Address: .....

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3. Registered Office/Address (including e-mail address for CUSC notices and Registration Number): .....

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4. Name, title and address of contacts for the purposes of this application, giving description of the field of responsibility of each person:

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5 If **User submitting this Request for a Statement of Works** is an agent, please give name(s) and address(es) of person(s) for whom the **User submitting this Request for a Statement of Works** is acting:

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B THE PROPOSED POINT OF CONNECTION TO A DISTRIBUTION SYSTEM

1. Please identify (preferably by reference to an extract from Ordnance Survey Map) the intended location of the **Plant** and **Apparatus** (the "User Development") which it is desired should be connected to the **Distribution System**.

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2. Please identify the intended **Grid Supply Point** through which that part of the **User's Distribution System** to which the **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** is connected, connects to the **GB Transmission System**.

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C TECHNICAL INFORMATION

Please provide the **Data** listed in Part 1 of the Appendix to the **Planning Code** in respect of the relevant **Distribution System** and the **Embedded Power Station** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data. Note: the **Data** concerned form part of the **Planning Code** and **Data Registration Code**. **User** submitting this **Request for a Statement of Works** should refer to these sections of the **Grid Code** for an explanation.

D PROGRAMME

Please provide the anticipated date when the **Embedded Power Station(s)** will have its connection **Energised**.

REQUEST FOR A STATEMENT OF WORKS

Please study the notes before completing and signing this application form.

1 We hereby submit a **Request for a Statement of Works** in respect of […….] **Embedded Power Station** that is connecting to [……..] **Public Distribution System**.

2 We will promptly inform **The Company** of any change in the information given in this **Request for a Statement of Works** as quickly as practicable after becoming aware of any such change.

3 If we are not already a **CUSC Party** we undertake for the purposes of this application to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.

4 We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** should it be considered necessary.

5 We confirm that we do/do not meet the **Approved Credit Rating** and **The Company Credit Rating**.

6 We confirm that we are applying in the category of [please insert appropriate description from table in paragraph 1.2.4 of the **CUSC**].

Signed:

.....
For and on behalf of the Applicant

Date:.....

END OF EXHIBIT S

Part G - Text to give effect to Consultation Alternative Amendment 4 proposed by National Grid

Revisions to Section 6

6.5.1 (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **The Company** has confirmed to the **User** that those works set out in the relevant **Construction Agreement** have been completed,

(ii) the **User** has confirmed to **The Company** that the requirements of the **Grid Code** which relate to the **Power Station** and any additional **Site Specific Requirements,** as set out in the **User's Bilateral Agreement** have been complied with, and

(iii) the process in Paragraph 6.5.5 has been completed to **The Company**'s reasonable satisfaction.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between an **Embedded Medium Power Station** (other than a **Relevant Embedded Medium Power Station**, where the provisions above shall apply) or an **Embedded Small Power Station** which is the subject of a **Bilateral Agreement** and its **Distribution System** nor permit the use of its **Distribution System** by the same until **The Company** has confirmed to the **User** who owns or operates the relevant **Distribution System** that the person owning or operating the plant has where required completed the **Use of System Application (Generators)** and has entered into a **Bilateral Agreement** in the appropriate form with **The Company**.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the Use of System Application (Generators) and has~~ entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **The Company** and (if such person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

6.5.5 **Statement of Works**

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to that **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** submit to **The Company** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.2 In addition to and without prejudice to the provisions of Paragraph 6.5.5.1, if an **Embedded Small Power Station** (other than an **Relevant Embedded Small Power Station**) is connecting to a **Distribution System**, and the **User** who owns or operates the **Distribution System** to which they intend to connect, reasonably believes that such a connection may have a significant system effect on the **GB Transmission System**, then such owner or operator shall, acting in accordance with **Good Industry Practice**, submit a **Request for a Statement to Works** to **The Company**. Such a submission by a **User** who

owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.3 The **Request for a Statement of Works** must include the Technical Information in respect of such **Power Station** and its proposed date of connection to the **Distribution System**.

6.5.5.4 **The Company** will notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** whether there are works required on the **GB Transmission System** as a result of the proposed connection of such **Power Station**. If **The Company** has notified the **User** that works are required, the **User** may notify **The Company** in writing that it will not be proceeding with the connection of the **Power Station** and therefore that it wishes to withdraw the **Request for a Statement of Works**. Such notification must be received by **The Company** within 5 **Business Days** of **The Company**'s notification that works are required.

6.5.5.5 If **The Company** has notified the **User** that works are required on the **GB Transmission System** and the **User** has not withdrawn the **Request for a Statement of Works** in accordance with 6.5.5.4, the submission of a **Request for a Statement of Works** shall be deemed to be a **Modification Application** by the **User** for the purposes of the **CUSC** and the relevant provisions of the **CUSC** shall apply.

6.5.5.6 If **The Company** has notified the **User** that no works are required on the **GB Transmission System** pursuant to Paragraph 6.5.5.4, **The Company** may notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** that **Site Specific Requirements** are necessary at the site of connection of the **Power Station.** Any **Site Specific Requirements** notified to the **User** shall be incorporated through an agreement to vary the **Bilateral Agreement** between **The Company** and the **User** for the appropriate **Grid Supply Point** of such **User**.

6.5.5.7 If **Site Specific Requirements** are necessary and the **Request for a Statement of Works** has been deemed to be a **Modification Application** pursuant to Paragraph 6.5.5.5, then any such **Site Specific Requirements** shall be included in the **Modification Offer.**

6.5.5.8 The **User** shall notify **The Company** in writing if the proposed date of connection for such **Power Station** for which a **Request for a Statement of Works** has been submitted changes and shall submit a revised **Request for a Statement of Works**.

Revisions to the Definitions

"Relevant Embedded Medium Power Station"	an **Embedded Medium Power Station** which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Relevant Embedded Small Power Station"	an **Embedded Small Power Station**: (a) which is connected (or proposed to be connected) to the same voltage level as the LV side of the **Grid Supply Point**, (b) whose maximum capability to export onto the **Distribution System** as specified (or proposed to be specified) in its **Distribution Connection Agreement** is equal to or greater than the **Small Power Station De-Minimis Level**, and (c) which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the **CUSC**.
"Small Power Station De-Minimis level"	30MW
"Distribution Connection Agreement"	an agreement between a **User** who owns or operates a **Distribution System** and an owner of a **Power Station** for connection to that **User's Distribution System**.
"Modification"	any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a **User** or **The Company** to either the **User's Plant** or **Apparatus** or the manner of its operation or **Transmission Plant** or **Transmission Apparatus** or the manner of its operation which in either case has or may have a **Material Effect** on another **CUSC Party** at a particular **Connection Site** or which is in connection with a **Request for a Statement of Works**;
"Site Specific Requirements"	those requirements reasonably required by **The Company** in accordance with the **Grid Code** at the site of connection of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**.

Introduction of new Exhibit S – Request for a Statement of Works

CUSC - EXHIBIT S

THE CONNECTION AND USE OF SYSTEM CODE

REQUEST FOR A STATEMENT OF WORKS

USER THAT OWNS OR OPERATES A DISTRIBUTION SYSTEM

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

1. **The Company** requires the information requested in this application form for the purposes of assessing the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**. It is essential that the **User** submitting this **Request for a Statement of Works** should supply all information requested in this application form and that every effort should be made to ensure that such information should be accurate.
2. Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.
3. Should **The Company** consider that any information provided is incomplete or unclear or should **The Company** require further information in order that it may assess the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**, the **User** submitting this **Request for a Statement of Works** will be requested to provide further information or clarification.
4. Should there be any change in any information provided by the **User** submitting this **Request for a Statement of Works** after it has been submitted to **The Company**, the **User** submitting this **Request for a Statement of Works** must immediately inform **The Company** of such a change.
5. **The Company** shall charge the **User** submitting this **Request for a Statement of Works**, and the **User** submitting this **Request for a Statement of Works** shall pay to **The Company**, **The Company's Engineering Charges** in relation to the assessment. An advance will be charged by **The Company** in accordance with the **Charging Statements**. No **Request for a Statement of Works** will be considered until such advance has been paid. The balance of the **The Company Engineering Charges** shall be notified and invoiced by **The Company** to the **User** submitting this **Request for a Statement of Works** together with a breakdown of such charges and the **User** submitting this **Request for a Statement of Works** shall pay the same within 28 days of the date of **The Company's** invoice. In the event that the advance and any other payments exceed the appropriate **The Company Engineering Charges** the excess shall be repaid forthwith to the **User** submitting this **Request for a Statement of Works**.
6. The effective date upon which the application is made shall be the later of the date when **The Company** has received the advance application fee pursuant to Paragraph 5 above or the date when **The Company** is reasonably satisfied that the **User** submitting this **Request for a Statement of Works** has completed Sections A-D. **The Company** shall notify the **User** submitting this **Request for a Statement of Works** of such date.
7. **The Company** will assess the **Request for the Statement of Works** in accordance with the terms of Paragraph 6.5.5 (Statement of Works) and (where applicable) Paragraph 6.9 (Modifications) and Paragraph 6.10 (Modifications and New Connection Sites) of the **CUSC** and the **Transmission Licence**.
8. **The Company** will assess the **Request for a Statement of Works** as soon as is reasonably practicable and, in any event, will notify the **User** in accordance with Paragraph 6.5.5 within 28 days of the effective date of the application or such later period as the **Authority** agrees to. Where a **Modification Offer** is required to be made following the assessment of the **Request for a Statement of Works** and where it is necessary to carry out additional extensive system studies to evaluate more fully the impact of the proposed development, **The Company** shall indicate the areas that require more detailed analysis. The **User** submitting this **Request for a Statement of Works** shall indicate whether it wishes **The Company** to undertake the work necessary to make a **Modification Offer** or, whether it wishes to withdraw the **Request for a Statement of Works** in accordance with Paragraph 6.5.5.4. To enable **The Company** to carry out any of the above mentioned necessary detailed system studies the **User** submitting this **Request for a Statement of Works** may, at the request of **The Company**, be required to provide some or all of the **Detailed**

Planning Data listed in Part 2 of the Appendix to the **Planning Code** which is part of the **Grid Code**.

9. In the course of processing your **Request for a Statement of Works**, it may be necessary for **The Company** to consult the appropriate **Public Distribution System Operator(s)** on matters of technical compatibility of the **GB Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **GB Transmission System**. On grounds of commercial confidentiality **The Company** shall need your authorisation to the release to the **Public Distribution System Operator(s)** or the **Relevant Transmission Licensees** of certain information contained in your application. Any costs incurred by **The Company** in consulting the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** would be included in the **The Company Charges** for the application. If it is found by the **Public Distribution System Operator(s)** that any work is required on their **Distribution System(s),** then it will be for the Public **Distribution System Operator(s)** and the **User** submitting this **Request for a Statement of Works** to reach agreement in accordance with Paragraph 6.10.3 of the **CUSC.**
10. If the **User** submitting this **Request for a Statement of Works** is not already a **CUSC Party** the **User** submitting this **Request for a Statement of Works** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of the **Grid Code** and the **CUSC** are available on the **The Company** website at **www.nationalgrid.com/uk** and the **User** submitting this **Request for a Statement of Works** is advised to study them carefully. Further copies are available on payment of **The Company's** copying charge, postage and packing. Data submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code.**
11. Any **Modification Offer** will be based to the extent appropriate upon its standard form terms for a **Modification Offer** and the **Charging Statements**. The **User** submitting this **Request for a Statement of Works** should bear in mind **The Company's** standard form terms of offer when making this application.
12. Please complete this application form in black print and return it duly signed to CUSC Panel Secretary, National Grid Electricity Transmisison plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 65 3000).

For the most up to date contact details **Users** submitting this **Request for a Statement of Works** are advised to contact the **The Company** website at:

www.nationalgrid.com/uk

A. DETAILS OF USER SUBMITTING THIS REQUEST FOR A STATEMENT OF WORKS

1. Name: .....

.....

2. Address: .....

.....

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.....

3. Registered Office/Address (including e-mail address for CUSC notices and Registration Number): .....

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4. Name, title and address of contacts for the purposes of this application, giving description of the field of responsibility of each person:

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.....

.....

5 If **User submitting this Request for a Statement of Works** is an agent, please give name(s) and address(es) of person(s) for whom the **User submitting this Request for a Statement of Works** is acting:

.....

.....

.....

B THE PROPOSED POINT OF CONNECTION TO A DISTRIBUTION SYSTEM

1. Please identify (preferably by reference to an extract from Ordnance Survey Map) the intended location of the **Plant** and **Apparatus** (the "User Development") which it is desired should be connected to the **Distribution System**.

.....

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.....

2. Please identify the intended **Grid Supply Point** through which that part of the **User's Distribution System** to which the **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** is connected, connects to the **GB Transmission System**.

.....

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.....

C TECHNICAL INFORMATION

Please provide the **Data** listed in Part 1 of the Appendix to the **Planning Code** in respect of the relevant **Distribution System** and the **Embedded Power Station** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data. Note: the **Data** concerned form part of the **Planning Code** and **Data Registration Code**. **User** submitting this **Request for a Statement of Works** should refer to these sections of the **Grid Code** for an explanation.

D PROGRAMME

Please provide the anticipated date when the **Embedded Power Station(s)** will have its connection **Energised**.

REQUEST FOR A STATEMENT OF WORKS

Please study the notes before completing and signing this application form.

1. We hereby submit a **Request for a Statement of Works** in respect of [……] **Embedded Power Station** that is connecting to [……] **Public Distribution System**.
2. We will promptly inform **The Company** of any change in the information given in this Request for a **Statement of Works** as quickly as practicable after becoming aware of any such change.
3. If we are not already a **CUSC Party** we undertake for the purposes of this application to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.
4. We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** should it be considered necessary.
5. We confirm that we do/do not meet the **Approved Credit Rating** and **The Company Credit Rating**.
6. We confirm that we are applying in the category of [please insert appropriate description from table in paragraph 1.2.4 of the **CUSC**].

Signed:

.....
For and on behalf of the Applicant

Date:.....

END OF EXHIBIT S

Part H - Text to give effect to Consultation Alternative Amendment 5 proposed by National Grid

Revisions to Section 6

6.5.1 (a)

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Medium Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **The Company** has confirmed to the **User** that any works required on the **GB Transmission System** as a result of the request for connection by the **Medium Power Station** have been completed, and,

(ii) the **User** has confirmed to **The Company** that the **Power Station** complies with the relevant requirements of the **Grid Code**.

The **User** shall provide **The Company** with details of the **Medium Power Station** in accordance with the requirements of the **Grid Code** and the proposed date of connection to the **Distribution System**.

The **User** shall notify **The Company** in the event that the proposed date of connection for the **Medium Power Station** changes.

The Company shall inform the **User** within 28 days of such notification whether any works are required on the **GB Transmission System** directly attributable to the request for connection by the **Medium Power Station**. Where such works involve **connection sites**, a **Modification Application** shall be raised.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the Use of System Application (Generators)~~ and has entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **The Company** and (if such person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

Part I - Text to give effect to Consultation Alternative Amendment 6 proposed by National Grid

Revisions to Section 1

1.3.2 Construction Agreements

Each **User** who wishes to construct or modify a direct connection to the **GB Transmission System** or commence or modify use by ~~an~~ his **Embedded Power Station** or **Distribution Interconnector**, or any **Distributor** who wishes to connect a **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** to his system, shall enter into and comply with a **Construction Agreement** in respect of any construction works required as a result of that connection or **Modification**, together with a **Bilateral Agreement** as identified in Paragraph 1.3.1 or, as appropriate, an agreement to vary such **Bilateral Agreement**.

Revisions to Section 6

6.5.1 (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:

(i) **The Company** has confirmed to the **User** that those works set out in the relevant **Construction Agreement** have been completed,

(ii) the **User** has confirmed to **The Company** that the requirements of the **Grid Code** which relate to the **Power Station** and any additional **Site Specific Requirements,** as set out in the **User's Bilateral Agreement** have been complied with, and

(iii) the process in Paragraph 6.5.5 has been completed to **The Company**'s reasonable satisfaction.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between an **Embedded Medium Power Station** (other than a **Relevant Embedded Medium Power Station**, where the provisions above shall apply) or an **Embedded Small Power Station** which is the subject of a **Bilateral Agreement** and its **Distribution System** nor permit the use of its **Distribution System** by the same until **The Company** has confirmed to the **User** who owns or operates the relevant **Distribution System** that the person owning or operating the plant has where required completed the **Use of System Application (Generators)** and has entered into a **Bilateral Agreement** in the appropriate form with **The Company**.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between ~~any~~ a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the ~~plant~~ **Large Power Station** has ~~where required completed the Use of System Application (Generators) and has~~ entered into a **Bilateral Agreement** in the appropriate form ~~(if any)~~ with **The Company** and (if such person is not already a party to **CUSC**) has ~~where required~~ entered into an **Accession Agreement** ~~pursuant to this Section 6~~.

6.5.5 **Statement of Works**

6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to that **User's Distribution System** from a **Relevant Embedded Medium Power**

Station or a **Relevant Embedded Small Power Station** submit to **The Company** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.2 In addition to and without prejudice to the provisions of Paragraph 6.5.5.1, if an **Embedded Small Power Station** (other than an **Relevant Embedded Small Power Station**) is connecting to a **Distribution System**, and the **User** who owns or operates the **Distribution System** to which they intend to connect, reasonably believes that such a connection may have a significant system effect on the **GB Transmission System**, then such owner or operator shall, acting in accordance with **Good Industry Practice**, submit a **Request for a Statement to Works** to **The Company**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit S.

6.5.5.3 The **Request for a Statement of Works** must include the Technical Information in respect of such **Power Station** and its proposed date of connection to the **Distribution System**.

6.5.5.4 **The Company** will notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** whether there are works required on the **GB Transmission System** as a result of the proposed connection of such **Power Station**.

6.5.5.5 The **User** who owns or operates a **Distribution System** shall have 90 **Business Days** from such notification under 6.5.5.4 to confirm to **The Company** in writing whether, in consultation with the proposed power station developer, it wishes to proceed with the project. The **User** shall then, as required by the **Statement of Works**, either:

- complete and submit to **The Company** a **Modification Application,** and comply with the terms thereof, in accordance with 6.9. For the avoidance of doubt, such **Modification Application** shall be required only when the **Statement of Works** shows that modifications to **Connection Assets** would be needed; or
- enter into and comply with a **Construction Agreement** in respect of any construction works, together with an agreement to vary the relevant **Bilateral Agreement**, in each case as identified in the **Statement of Works** and in accordance with 1.3.2.

6.5.5.6 If **The Company** has notified the **User** that no works are required on the **GB Transmission System** pursuant to Paragraph 6.5.5.4, **The Company** may notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** that **Site Specific Requirements** are necessary at the site of connection of the **Power Station.** Any **Site Specific Requirements** notified to the **User** shall be incorporated through an agreement to vary the **Bilateral Agreement** between **The Company** and the **User** for the appropriate **Grid Supply Point** of such **User**.

6.5.5.7 If **Site Specific Requirements** are necessary and the **Request for a Statement of Works** has been deemed to be a **Modification Application** pursuant to Paragraph 6.5.5.5, then any such **Site Specific Requirements** shall be included in the **Modification Offer.**

6.5.5.8 The **User** shall notify **The Company** in writing if the proposed date of connection for such **Power Station** for which a **Request for a Statement of Works** has been submitted changes and shall submit a revised **Request for a Statement of Works**.

Revisions to the Definitions

"Relevant Embedded Medium Power Station	an **Embedded Medium Power Station** which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Relevant Embedded Small Power Station"	an **Embedded Small Power Station**: (a) which is connected (or proposed to be connected) to the same voltage level as the LV side of the **Grid Supply Point**, (b) whose maximum capability to export onto the **Distribution System** as specified (or proposed to be specified) in its **Distribution Connection Agreement** is equal to or greater than the **Small Power Station De-Minimis Level**, and (c) which is an **Exempt Power Station**, and does not intend to be the subject of a **Bilateral Agreement.**
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the **CUSC**.
"Small Power Station De-Minimis level"	30MW
"Distribution Connection Agreement"	an agreement between a **User** who owns or operates a **Distribution System** and an owner of a **Power Station** for connection to that **User's Distribution System**.
"Site Specific Requirements"	those requirements reasonably required by **The Company** in accordance with the **Grid Code** at the site of connection of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**.

Introduction of new Exhibit S – Request for a Statement of Works

CUSC - EXHIBIT S

THE CONNECTION AND USE OF SYSTEM CODE

REQUEST FOR A STATEMENT OF WORKS

USER THAT OWNS OR OPERATES A DISTRIBUTION SYSTEM

PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM.

1 **The Company** requires the information requested in this application form for the purposes of assessing the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**. It is essential that the **User** submitting this **Request for a Statement of Works** should supply all information requested in this application form and that every effort should be made to ensure that such information should be accurate.

2 Please note that certain expressions which are used in this application form are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.

3 Should **The Company** consider that any information provided is incomplete or unclear or should **The Company** require further information in order that it may assess the impact of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** upon the **GB Transmission System**, the **User** submitting this **Request for a Statement of Works** will be requested to provide further information or clarification.

4 Should there be any change in any information provided by the **User** submitting this **Request for a Statement of Works** after it has been submitted to **The Company**, the **User** submitting this **Request for a Statement of Works** must immediately inform **The Company** of such a change.

5 **The Company** shall charge the **User** submitting this **Request for a Statement of Works**, and the **User** submitting this **Request for a Statement of Works** shall pay to **The Company**, **The Company's** Engineering Charges in relation to the assessment. An advance will be charged by **The Company** in accordance with the **Charging Statements**. No **Request for a Statement of Works** will be considered until such advance has been paid. The balance of the **The Company** Engineering Charges shall be notified and invoiced by **The Company** to the **User** submitting this **Request for a Statement of Works** together with a breakdown of such charges and the **User** submitting this **Request for a Statement of Works** shall pay the same within 28 days of the date of **The Company's** invoice. In the event that the advance and any other payments exceed the appropriate **The Company** Engineering Charges the excess shall be repaid forthwith to the **User** submitting this **Request for a Statement of Works**.

6 The effective date upon which the application is made shall be the later of the date when **The Company** has received the advance application fee pursuant to Paragraph 5 above or the date when **The Company** is reasonably satisfied that the **User** submitting this **Request for a Statement of Works** has completed Sections A-D. **The Company** shall notify the **User** submitting this **Request for a Statement of Works** of such date.

7 **The Company** will assess the **Request for the Statement of Works** in accordance with the terms of Paragraph 6.5.5 (**Statement of Works**) and (where applicable) Paragraph 6.9 (**Modifications**) and Paragraph 6.10 (**Modifications** and **New Connection Sites**) of the **CUSC** and the **Transmission Licence**.

8 **The Company** will assess the **Request for a Statement of Works** as soon as is reasonably practicable and, in any event, will notify the **User** in accordance with Paragraph 6.5.5 within 28 days of the effective date of the application or such later period as the **Authority** agrees to. Where a **Modification Offer** is required to be made following the assessment of the **Request for a Statement of Works** and where it is necessary to carry out additional extensive system studies to evaluate more fully the impact of the proposed development, **The Company** shall indicate the areas that require more detailed analysis. The **User** submitting this **Request for a Statement of Works** shall indicate whether it wishes **The Company** to undertake the work necessary to make a **Modification Offer** or, whether it wishes to withdraw the **Request for a Statement of Works** in accordance with Paragraph 6.5.5.4. To enable **The Company** to carry out any of the above mentioned necessary detailed system studies the **User** submitting this **Request for a Statement of Works** may, at the request of **The Company**, be required to provide some or all of the **Detailed**

Planning Data listed in Part 2 of the Appendix to the **Planning Code** which is part of the **Grid Code**.

9 In the course of processing your **Request for a Statement of Works**, it may be necessary for **The Company** to consult the appropriate **Public Distribution System Operator(s)** on matters of technical compatibility of the **GB Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **GB Transmission System**. On grounds of commercial confidentiality **The Company** shall need your authorisation to the release to the **Public Distribution System Operator(s)** or the **Relevant Transmission Licensees** of certain information contained in your application. Any costs incurred by **The Company** in consulting the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** would be included in the **The Company Charges** for the application. If it is found by the **Public Distribution System Operator(s)** that any work is required on their **Distribution System(s)**, then it will be for the **Public Distribution System Operator(s)** and the **User submitting this Request for a Statement of Works** to reach agreement in accordance with Paragraph 6.10.3 of the **CUSC**.

10 If the **User** submitting this **Request for a Statement of Works** is not already a **CUSC Party** the **User** submitting this **Request for a Statement of Works** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of the **Grid Code** and the **CUSC** are available on the **The Company** website at www.nationalgrid.com/uk and the **User** submitting this **Request for a Statement of Works** is advised to study them carefully. Further copies are available on payment of **The Company's** copying charge, postage and packing. **Data** submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code**.

11 Any **Modification Offer** will be based to the extent appropriate upon its standard form terms for a **Modification Offer** and the **Charging Statements**. The **User** submitting this **Request for a Statement of Works** should bear in mind **The Company's** standard form terms of offer when making this application.

12 Please complete this application form in black print and return it duly signed to **CUSC Panel Secretary**, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 65 3000).

For the most up to date contact details **Users** submitting this **Request for a Statement of Works** are advised to contact the **The Company** website at:

www.nationalgrid.com/uk

A. DETAILS OF USER SUBMITTING THIS REQUEST FOR A STATEMENT OF WORKS

1. Name: .....

.....

2. Address: .....

.....

.....

.....

3. Registered Office/Address (including e-mail address for CUSC notices and Registration Number): .....

.....

.....

.....

.....

.....

.....

.....

4. Name, title and address of contacts for the purposes of this application, giving description of the field of responsibility of each person:

.....

.....

.....

5 If **User submitting this Request for a Statement of Works** is an agent, please give name(s) and address(es) of person(s) for whom the **User submitting this Request for a Statement of Works** is acting:

.....

.....

.....

B THE PROPOSED POINT OF CONNECTION TO A DISTRIBUTION SYSTEM

1. Please identify (preferably by reference to an extract from Ordnance Survey Map) the intended location of the **Plant** and **Apparatus** (the "User Development") which it is desired should be connected to the **Distribution System**.

.....

.....

.....

2. Please identify the intended **Grid Supply Point** through which that part of the **User's Distribution System** to which the **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** is connected, connects to the **GB Transmission System**.

.....

.....

.....

C TECHNICAL INFORMATION

Please provide the **Data** listed in Part 1 of the Appendix to the **Planning Code** in respect of the relevant **Distribution System** and the **Embedded Power Station** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data. Note: the **Data** concerned form part of the **Planning Code** and **Data Registration Code**. **User** submitting this **Request for a Statement of Works** should refer to these sections of the **Grid Code** for an explanation.

D PROGRAMME

Please provide the anticipated date when the **Embedded Power Station(s)** will have its connection **Energised**.

REQUEST FOR A STATEMENT OF WORKS

Please study the notes before completing and signing this application form.

1 We hereby submit a **Request for a Statement of Works** in respect of […….] **Embedded Power Station** that is connecting to [……..] **Public Distribution System**.

2 We will promptly inform **The Company** of any change in the information given in this **Request for a Statement of Works** as quickly as practicable after becoming aware of any such change.

3 If we are not already a **CUSC Party** we undertake for the purposes of this application to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.

4 We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** should it be considered necessary.

5 We confirm that we do/do not meet the **Approved Credit Rating** and **The Company Credit Rating**.

6 We confirm that we are applying in the category of [please insert appropriate description from table in paragraph 1.2.4 of the **CUSC**].

Signed:

.....
For and on behalf of the Applicant

Date:.....

END OF EXHIBIT S

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP: 097

Title of Amendment Proposal:

Revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5.

Description of the Proposed Amendment **(mandatory by proposer)*:***

This Amendment Proposal clarifies NGC's requirements from Embedded Small and Medium Power Stations in order to efficiently discharge its obligations imposed through the Transmission Licence and the Act. In setting out the requirements this Amendment Proposal recognises the Grid Code LEEMPS proposal in relation to the NGC/ DNO / Medium Power Station interfaces and seeks to ensure the CUSC processes under CUSC 6.5 are consistent with the requirements of the Grid Code.

This Amendment Proposal therefore includes additional requirements that whilst stand-alone support proposals by the LEEMPS working group under the Grid Code. The Grid Code changes are based on an indirect relationship between NGC and Embedded Medium Power Stations, facilitated via the DNO. The DNO would ensure the Embedded Medium Power Station complies with the relevant requirements of the Grid Code, including the provision of information to allow NGC to assess the impact of an Embedded development on the Transmission System.

Description of Issue or Defect that Proposed Amendment seeks to Address *(mandatory by proposer):*

The existing wording of clause 6.5.1 is ambiguous on the need for a contractual agreement between an Embedded Generator and National Grid. The current generation licensing arrangements are that Embedded Generators that are less than 100 MW could apply for and generally receive a Derogation from the need to hold a Generation Licence and hence accede to the CUSC. The contractual framework largely assumes that NGC will enforce the requirement of the Grid Code directly through the CUSC. This modification, along the current LEEMPS proposals under the Grid Code, seek to clarify that Embedded Medium Power Stations do not require a direct contractual relationship with NGC. However, NGC would still need to assess and address their impact on the Transmission System prior to them becoming connected and require them to comply with the relevant sections of the Grid Code.

Impact on the CUSC (this should be given where possible):

In line with the above proposals NGC propose that the CUSC may need to be modified in the following manner:

- Introduce provisions that following the notification by a User who owns or operates a Distribution System to NGC of a proposed connection to that User's System NGC may provide where necessary a Statement of Works relating to the proposed connection. Such Statement of Works would specify the Works (if any) that are required to facilitate the Use of the GB Transmission System by the Small or Medium Power Station. The provisions included within the CUSC would also specify the timescales in which NGC should provide such an offer
- Introduce provisions through which NGC may make a reasonable charge for assessing the impact of the connection to the User's System on the GB Transmission System
- Place obligations upon the User who owns or operates the Distribution System to provide
- Details of the Small or Medium Power Station in accordance with the Grid Code upon requesting the Statement of Works
- Notification to NGC in the event that the proposed date of connection of the Small or Medium Power Station changes and upon such notification request a revised Statement of Works
- Obligations to ensure that the User who owns or operates the Distribution System shall continue to ensure that the Small or Medium Power Station continues to comply with the

relevant site specific requirements provided through the Statement of Works and the relevant requirements of the Grid Code at all times subject as otherwise provided for under the CUSC.

- Modify the existing CUSC section 6.5.1 (a) to specify that a User who owns or operates a Distribution System shall not Energise such a connection between a Medium Power Station or Small Power Station until NGC has confirmed to that User that NGC has completed the Works listed in the Statement of Works for such Small or Medium Power Station.

Impact on Core Industry Documentation *(this should be given where possible)*:

Although not a Core Industry Document, there may also be the need to modify the NGC Charging Statements in order to specify the methodology behind any reasonable charge that NGC may make for the provision of the Statement of Works.

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

None

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

The Grid Code Review Panel has just completed a review of Licence Exempt Embedded Medium Power Stations. This Amendment Proposal seeks to ensure that the proposed changes identified for the Grid Code identified in D/05 can be efficiently implemented.

Justification for Proposed Amendment with Reference to Applicable CUSC Objectives *(mandatory by proposer):*

The changes proposed would remove the current ambiguity in CUSC 6.5.1, align the relationship between NGC, DNOs and Generators to the current Licensing framework established under 'The Electricity (Exemption from the Requirement for a Generation Licence) (England and Wales) Order 2002', and support the implementation of the changes proposed through the Grid Code Review Panel LEEMPS working group.

In combination, these will better facilitate NGC in the efficient discharge of the obligations imposed upon it under the Act and by the Licence, more specifically those under licence condition C14, amongst others.

The proposal will also facilitate 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 though ensuring the requirements in the CUSC and Grid Code are as transparent as possible and avoid any undue discrimination.

Details of Proposer: Organisation's Name:	
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	**CUSC Party**
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	***Mark Duffield*** ***National Grid Transco*** ***01926 654971*** ***mark.duffield@ngtuk.com***

Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	 Ben Graff National Grid Transco 01926 656312 ben.graff@ngtuk.com
Attachments: No	

ANNEX 3A – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of all representations received following circulation of the Consultation Document of CAP097 (circulated on 11th November 2005, requesting comments by close of business on 12th December 2005).

Representations were received from the following parties:

No.	Company	File No.
1	AMEC Wind Energy	CAP097-CR-01
2	British Energy	CAP097-CR-02
3	CE Electric UK	CAP097-CR-03
4	EDF Energy	CAP097-CR-04
5	E.ON UK	CAP097-CR-05
6	RWE npower	CAP097-CR-06
7	Scottish Power Energy Wholesale	CAP097-CR-07
8	SP Transmission and Distribution	CAP097-CR-08
9	United Utilities	CAP097-CR-09
10	Western Power Distribution	CAP097-CR-10

Reference	CAP097-CR-01
Company	AMEC Wind Energy

From: Greig, Elaine E [Elaine.Greig@amec.com]
Sent: 12 December 2005 10:56
To: Paradine, Lindsey
Subject: CAP97 proposal

Lindsey,

In response to the consultation on CAP97 I would like to offer the following comments on behalf of AMEC.

AMEC would prefer to see an arrangement whereby DNOs are responsible for the networks downstream of each GSP, and can thereby actively manage their networks. Reduction in demand can then be treated in the same way as increases in generation. This is one of the discussion items in the 'Enduring transmission charging for distributed generation' consultation, which we support, and should be considered in conjunction with this amendment proposal.

It does not seem logical that NGC should be interested in all generation changes, but not demand changes. Should a site be constructed which generates its own power, and therefore has zero net impact on the transmission system, under these proposals the generation would be considered in isolation, and the site may face delays, despite having no impact.

It seems more logical to pursue the single agreement for each GSP with each DNO, and the DNO to inform NGET where changes in transfer requirements occur.

We would not like to see another set of numbers and rules used for which sites are to be referred to NGET and which are not. We already have the licencing numbers, the small / medium / large differences (which are under review), and the different distribution / transmission voltages. More difference in sizes and definitions would add to the confusion. We would urge the consultation to await the review of small, medium and large definitions, and then to adopt these definitions, if the DNO avenue is deemed insufficient.

I hope that this is helpful,

Regards,

Elaine Greig

AMEC Wind Energy

Bridge End, Hexham, Northumberland NE46 4NU

Tel +44 (0)1434 611 325 Fax +44 (0)1434 601 200

mailto:elaine.greig@amec.com

www.amec.com

Reference	CAP097-CR-02
Company	British Energy

13th December 2005

Lindsey Paradine
Transmission Commercial
National Grid
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Dear Lindsey,

Response to CUSC Amendment Proposal CAP097 Revision to the Contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5

This response is made by British Energy Group plc. British Energy is the UKs largest generator of electricity. We own and operate eight nuclear power stations as well as Eggborough Power station, (a large coal plant with two units with FGD) and four small embedded gas generator units. BE is also a large supplier selling exclusively to industrial and commercial customers. British Energy Direct accounts for about 30TWh of the UKs supply. British Energy welcomes this opportunity to respond to the above consultation document which raises a number of important issues.

Key points:

- We consider that the original CAP097 amendment proposal and the two working group alternative amendment proposals would all better facilitate the applicable CUSC objectives as compared with the current baseline.
- On balance we prefer working group alternative amendment proposal two which reflects the DNO view on timescales for progressing the statement of works as it appears to be a more equitable solution for all the affected parties.
- Any of the amendment proposals will allow National Grid to better manage the development of the transmission system in an efficient manner and will therefore enhance competition.

Yours sincerely

John Capener
Head of Transmission & Trading Arrangements
British Energy Power and Energy Trading

British Energy Group plc Barnett Way Barnwood Gloucester GL4 3RS
Telephone 01452 652222 Facsimile 01452 653715

Registered Office: Systems House, Alba Campus, Livingston EH54 7EG
Registered in Scotland 270184 VAT Number 671 0076 58

Reference	CAP097-CR-03
Company	CE Electric UK

Your ref

Our ref

Lindsey Paradine
Commercial
National Grid
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Manor House
Station Road
New Penshaw
Houghton-le-Spring
DH4 7LA
www.ce-electricuk.com
tel: 0191 387 7140
fax: 0191 387 7154
e-mail: david.miller@ce-electricuk.com

12 Dec. 05

Dear Lindsey

CUSC Amendment Proposal CAP097:
Revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5

Thank you for the opportunity to comment on this proposed CUSC amendment, and for the assistance of your colleagues during the working group phase. I am writing on behalf of CE Electric UK (CE) and its subsidiary distribution licensees and CUSC parties, Yorkshire Electricity Distribution plc (YEDL) & and Northern Electric Distribution Limited (NEDL).

This letter falls into two parts, specifically:

- a response to the consultation paper; and
- a consultation alternative amendment raised in response to NGET's concerns

Response to the Consultation Paper

The effect of the amendment proposed by NGET is to create significant financial liabilities in respect of individual generation developments. Whether or not there is a genuine issue surrounding cumulative impact, it is not addressed by these proposals. As NGET themselves admit that (8.4) 'individually Embedded Small Generators are unlikely to have an impact upon the GB Transmission System', it is evident that proposals involving anything other than Medium Generators are disproportionate to the issue.

Contrary to NGET's assertion, distributors will be able to pass final sums liabilities only on to the developer whose application triggers transmissions works. The law allows us only to carry costs forward to subsequent connections, not to go back to previous ones[1]. Thus, even if such works were justified on the basis of the cumulative impact of that development and a number of preceding schemes, it would be only that last project in the line that bore the costs.

Neither of the thresholds proposed by NGET have been justified on engineering grounds. No case at all has been made to support the assertion of cumulative impact from power stations above 5 MW connected to the LV side of the grid supply transformer. No case other than administrative convenience has been made for the assertion of material impact from power stations above 30 MW.

Although a relatively small point, it is also worth noting that the LV side of the grid supply transformer means different things in different areas. In Scotland, Yorkshire and the North-East, this will cover connections below 132 kV, at 66, 33, 20 and 11 kV. Further, of two otherwise identical developments connected at 33 or 11 kV but on opposite sides of the same town, only one would be captured only by accident of location. This is neither transparent nor equitable.

A second-order effect is that, because connections in the NEDL service area fall within the SPTL zone of influence, a 5.5 MW wind farm seeking to connect at 20 kV in Tynedale would fall into the GB Queue. The costs and timescales associated with seeking a Statement of Works will likely render such development unfeasible.

Overall, therefore, we submit that the core amendment is disproportionate. If the issue is individual connections, then the case must be made for as threshold below the current requirement to enter into a bilateral. If the issue is one of cumulative impact, the proposals fail to address this, as the liability would fall on a single developer.

We submit that WGAA 1 is essential to CUSC objectives, as it:

- facilitates competition in generation, by avoiding the disproportionate financial burden associated with NGET's proposals; and
- facilitates the efficient development of the transmission system, by:
    - providing NGET with all the information they need to plan efficient reinforcement works; and
    - providing for deferral of energisation of generator sites until, within reason, NGET have completed any necessary transmission works

We suggest that the test for the NGET proposal should be that it provides for demonstrably more efficient development of the transmission system, which more than offsets the clear detriment to competition in generation from its disproportionate charging proposals.

While we support WGAA 1 over both the NGET proposals and WGAA 2, we agree with the core contention behind WGAA 2, that the original proposal has unrealistic timescales. There seems little value in establishing a process that fails to meet customers' needs.

Further, we submit that the concerns expressed in National Grid's initial view are misplaced as:

- there is nothing in WGAA 1 'that does not allow the impact of Small Power Stations to be assessed'. As Proposer of that WGAA, we offered to make available to NGET any information on high-level forecasts and individual connection requests that they might reasonably require, perhaps through an enhancement to the week 24 process. Indeed, CE have already shared our projections with NGET at several Joint Technical Planning Meetings;
- the point raised in 8.8, albeit only at this stage of the process, that WGAA 1 'does not give the prospective embedded generator any firm idea of what would happen should it be identified that the embedded generator triggers Transmission Works' is easily addressed. WGAA 1 may easily be amended to include a provision for NGET to inform the distributor of the scope of any transmission works required and programmed completion date, and to keep the distributor informed of any variations thereto. We shall raise a consultation alternative amendment to that effect; and
- we reject the statement that 'the fact that any transmission reinforcement works triggered by an Embedded Medium or Small Generator will be financially secured means that it is much more likely that such expenditure will be efficiently incurred'. Under WGAA 1, works of the scale of Beauly-Denny or a potential third North Yorkshire line would be justified on the basis of an aggregate forecast from distributors: under the core NGET proposal, they could be required to be under-written by a single 5.5 MW generator.

Consultation Alternative Amendment

The basis of WGAA 1 has already been widely discussed. This Consultation Alternative Amendment (CAA) seeks to develop this only to address the concern raised by NGET over lack of transparency. This yields:

6.5.1 (a) Any User who owns or operates a Distribution System shall not Energise the connection between a Medium Power Station and its Distribution System until:

(i) NGC has confirmed to the User that any works required on the GB Transmission System to permit Energisation of the Medium Power Station have been completed, and

(ii) the User has confirmed to NGC that the Power Station complies with the relevant requirements of the Grid Code.

The User shall provide NGC with details of the Medium Power Station in accordance with the requirements of the Grid Code and the proposed date of connection to the Distribution System.

The User shall notify NGC in the event that the proposed date of connection for the Medium Power Station changes.

NGC shall inform the User within 28 days of such notification:

(i) whether any works are required on the GB Transmission System to permit Energisation of the Medium Power Station(s); and

(ii) if appropriate, of the timescales for completion of those works.

Where such works involve connection sites, a Modification Application shall be raised.

The User shall notify NGC in writing if the proposed date of connection for such a Power Station changes. NGC shall notify the User in writing if the proposed date for completion of such Transmission Works changes.

Any User who owns or operates a Distribution System shall not Energise the connection between a Large Power Station (other than an Embedded Exemptable Large Power Station where the provisions of Paragraph 6.5.1(b) and (c) apply only) and its Distribution System nor permit the use of its Distribution System by the same person until the person owning or operating the Large Power Station has entered into an Accession Agreement.

As for WGAA 1, CE submits that this CAA fully supports the efficient development of the transmission system, by providing for information exchange in respect of those power stations that, individually, have a material impact on the transmission system.

CE also submits that this CAA facilitates the duty to facilitate competition in generation common to both distributors and transmitters. It promotes transparency through a clear definition of scope (i.e. medium power stations) and timescales, and also avoids creating disproportionate financial liability.

I trust you find this a helpful contribution: if you would like to clarify any of the points raised, please do not hesitate to call.

Yours sincerely,

Dave Miller
Senior Network Investment Engineer

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[i] Section 19 of the Electricity Act 1989 (as amended by the Utilities Act 2000) allows distributors to levy charges in respect of any expenses reasonably incurred in providing any electric line or electrical plant in pursuance of that request for connection. The Electricity (Connection Charges) Regulations 2002 vary this power to allow expenditure incurred to provide a connection within the last five years (but not previously recovered) to be charged to customers whose connections use the same assts.

Neither of those provisions allow distributors to go back to customers for whom connections have already been provided, or even to whom offers have already been made, and seek to recover costs triggered by subsequent connections. Further, distributors cannot be certain that further generation connections will come forward below the same GSP, and cannot therefore hold over costs to future developments.

All this means that any transmission reinforcement deemed to be triggered by a single development must be under-written by that developer, regardless of the relative size of the transmission works and the generation connection.

Reference	CAP097-CR-04
Company	EDF Energy

Lindsey Paradine
Commercial
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

12 December 2005

Dear Lindsey

CUSC Amendment Proposal CAP097

Thank you for providing us the opportunity to comment on proposals for revision to the contractual requirements for small and medium embedded power stations under CUSC clause 6.5.

We support the overall aim of the proposals which is to identify, before energisation, whether an embedded power station would have a significant effect upon the transmission system.

In summary, our preferred option is WGAA2 modified to exclude Small Power Stations and to include a requirement for National Grid (NG) to seek the approval of the DNO prior to a Statement of Works being converted into a Modification Application. In addition, although we favour WGAA2, we would like to highlight concerns with aspects of CAP097 and WGAA1.

Five Day Window

This aspect of CAP097 appears to take little account of the size and complexity of the business decisions for an end customer large enough to trigger the application of CUSC clause 6.5. The proposed five business day window for a DNO to liaise with the customer to see if they still wish to proceed with the connection offer (4.4.5) is impracticably short. It will not give adequate time for the DNO to contact the customer and for the customer to decide whether they wish to proceed with the DNO connection offer (and hence the National Grid modification application). These decisions are complex given both the application costs and the level of project costs implied by a transmission system modification.

A more workable solution would be for the "clock" to pause at the point when NG informs the DNO that works are required. Both DNO and NG processes can stop at this point whilst awaiting the customer's decision, i.e. there is no need for NG to apply a five day window. In such a situation there is the risk that the DNO's connection offer may exceed the three month limit imposed by SLC4D6b, in which case derogation from the Authority could be sought under SLC4D5, or if necessary a suitable licence modification sought should the number of such derogation requests warrant this.

EDF Energy plc
Registered in England and Wales
Registered No. 2366852
Registered Office:
40 Grosvenor Place Victoria
London SW1X 7EN

www.edfenergy.com

Applicability

We support the applicability outlined in WGAA1 which excludes small power stations from the scope of the proposal. They have a negligible impact on the transmission system and we can see no benefit in including them in the process. The process could, of course, be revisited in the light of practical experience.

Process

We note from the working group section of the consultation that DNOs will have to pay a fee for the request for statement of works to be produced. The scale of this fee is not stated and needs to be made clear, transparent and included as part of the amendment proposal.

The working group section also states that if the request for statement of works requires transmission works to be carried out then the statement of works is deemed to become a modification application. This would automatically incur additional costs for the DNO even if the customer chose not to go ahead with the connection. Accordingly we believe that the conversion of a request for a statement of works to a modification application should not be automatic but should only be done with the approval of the DNO. This issue is relevant to all three proposals.

Support for proposals

With the above points in mind we are currently unable to support NG's CAP097 proposal due to the applicability of the proposal to small power stations and the five day timescale for the customer to agree to the work.

With respect to WGAA1 we agree with the applicability of the amendment although would not be able to support the proposal since NG would appear to carry out works without confirmation from the DNO or customer that they wish to proceed.

Our concerns regarding applicability to small power stations and the requirement for a DNO to proactively withdraw from the modification process rather than accede also relate to WGAA2. However, they are of a less a significance than the concerns we have with the CAP097 and WGAA1 proposals. WGAA2 is therefore the best of the three options in our view as it comes closest to meeting the CUSC objectives whilst being a pragmatic change. Accordingly we seek the support of NG and other interested parties in resolving our concerns of applicability and processes associated with WGAA2.

If you have any queries on the above please do not hesitate to contact me.

Yours sincerely

Paul Delamare
Head of Regulation and Strategy

RA/PXM

Page 2

Reference	CAP097-CR-04
Company	E.ON UK

E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
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Paul Jones
024 7642 4829

paul.jones@eon-uk.com

Lindsey Paradine
Commercial, National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

12 December, 2005

Dear Lindsey,

CAP097 – Consultation Document

Thank you for the opportunity to comment on the above document. E.ON UK does not support any of the options put forward for CAP097.

There are two elements of the original proposal which cause us concern. The first of these is the linking of the requirements to Medium Power Stations. The second, and more important, is the liability for final sums which the amendment will impose indirectly on embedded power stations through the relevant distribution business.

When the original amendment, CAP002, was raised regarding this issue we believed that the proposed level of 30MW at which the distribution business should seek a statement of works, was too low and supported the alternative level of 50MW. We appreciate that this latest proposal has been linked to the definition of Medium Power Station, as Large Power Stations in Scotland could be smaller than 50MW in size and would be required to enter into an Accession Agreement anyway under the provisions of 6.5.1. However, the proposed amendment means that Embedded Power Stations in SPTL's area between 5MW and 30MW would be captured by the requirements of 6.5.1. We believe that this level is too low and that a threshold of 50MW for the whole of GB, consistent with Ofgem's views in the decision letter to CAP002, would be more appropriate.

E.ON UK plc
Registered in
England and Wales
No 2366970
Registered Office:
Westwood Way
Westwood Business Park
Coventry CV4 8LG

Another new aspect of this proposal compared with CAP002 is the requirement for the distribution company to incur Final Sums liabilities for any required changes to the transmission system. This will undoubtedly result in such liabilities being backed off through agreements with embedded generators. Firstly, it would appear inappropriate for distribution businesses to be required to cover any costs which are normally recovered through TNUoS charges, as they are only required to pay Connection Charges under the CUSC. Secondly, the existing arrangements for Final Sums liabilities are already proving problematic for those generators who are required to enter into Bilateral Agreements and are obstructing the progress of a number of new generation projects. Extending them to another tier of projects would therefore be a retrograde step and would only serve to threaten the viability of even more new projects.

These two issues mean that we do not support any of the options for CAP097. However, WGAA1 at least has the relative benefit of no Final Sums liabilities for distributors and thus embedded generators. Therefore, of all the options we consider it to be the least undesirable.

Yours sincerely

Paul Jones
Trading Arrangements

Reference	CAP097-CR-06
Company	RWE npower

RWE npower

Lindsey Paradine
Transmission Commercial
National Grid
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

Your ref
Our ref
Name Mark Nixon
Phone 01905 340413
Fax
E-Mail Mark.Nixon@npower.com

12th December 2005

CUSC Amendment Proposal 097: Revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5

Dear Lindsey

Thank you for the opportunity to respond to the above consultation.

RWE npower's view is that the original proposed amendment does not further the relevant CUSC objectives. It could only provide another barrier to entry for prospective market participants, and as such must be regarded as having a negative effect on competition, which runs against the applicable CUSC objectives. It also goes against the principle of the generator only having a contractual relationship with the network operator whose network they are connected to.

Of the alternatives WGAA1 is preferable, again from the viewpoint of competition, as it simplifies the process.

Overall this Amendment Proposal concerns an issue that would be better reviewed as part of the Ofgem Consultation on Distributed Generation.

If you wish to discuss any aspect of our response please do not hesitate to contact me.

Yours Sincerely

Mark Nixon
Transmission Charging Analyst
npower

RWE npower

Trigonos
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

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Reference	CAP097-CR-07
Company	Scottish Power Energy Wholesale

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Ref CAP097
Date 12th December 2005

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Dear Lindsey

CUSC Amendment Proposal CAP097, Revision to the contractual requirements for Small and Medium Power Stations under CUSC 6.5

Thank you for the opportunity to comment on CUSC Amendment Proposal CAP097 regarding the contractual requirements for Small and Medium Power Stations under CUSC 6.5. This response is submitted on behalf of ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

While we recognise that the existing text of CUSC 6.5.1 could be improved we do not support the changes which have been proposed in CAP097 or either of the Working Group Alternative Amendments. There are three main issues which concern us:-

- the size of power station which would be affected,
- the financial security arrangements which have been proposed, and
- the timescale over which the process would take place.

By including small power stations in the proposals National Grid has extended the reach of the proposals beyond that which was necessary to incorporate into the CUSC the changes which follow from the recent work on licence exemptable medium power stations under the Grid Code. This would have the effect of capturing, and hence potentially delaying, significantly more generation, especially in Scotland, than we believe can be justified.

The rate of connection of small and medium power stations is unlikely to precipitate the sudden large increase in constraint costs which could follow the connection of a large station. To prevent the connection of small and medium stations while National Grid reinforces the network beyond the immediate GSP is an unwarranted interference in the development of small scale generation. To attempt to impose on the generator, via the DNO, the obligation to secure distant transmission reinforcement works which may deliver capacity increments vastly in excess of those needed by the particular development would make many projects non-viable due to the increased costs and liabilities.

Finally, any increase in the length of the connection application process would increase costs and risks to developers. Taken together, these three factors would seriously jeopardise the achievement of government targets for renewable energy production and carbon reduction.

Yours sincerely

John W Russell

SAIC Ltd.
For and on behalf of: of ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd ScottishPower Energy Management Ltd and CRE Energy Ltd.

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Reference	CAP097-CR-08
Company	SP Transmission and Distribution

SP Transmission & Distribution

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Your ref

Our ref

Date

Contact/Extension

12th December 2005

Dear Lindsey

CUSC Amendment Proposal CAP097, Revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5

Thank you for the opportunity to comment on CUSC Amendment Proposal CAP097 regarding the revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5. This response is submitted on behalf of Scottish Power's Distribution and Transmission Businesses, which include SP Manweb plc, SP Distribution Ltd. and SP Transmission Ltd. (SPT&D).

SPT&D recognises the wider issues, which surround this topic. We would wish to work with NGET and note the current ambiguity surrounding CUSC 6.5. Whilst to date we are not aware of any specific problems, we can appreciate that with the increase in embedded generation a clearly defined process and common understanding would benefit all parties.

While we therefore support the intention behind CAP097, we cannot support either the original amendment or either of the two working group amendments as drafted. We could support modified proposals, and therefore we formally propose a CUSC Consultation Alternative Amendment. We clarify our reasoning below.

SIZE THRESHOLDS

Both the LEEMPS proposals and the ongoing work on the Grid Code in respect of Regional Differences will have an bearing on CAP097. Our comments in respect of CAP097 must therefore be taken within the context of the other changes being considered.

We would first note that SPT&D support the general framework of the LEEMPS proposals in the context of England and Wales. The proposal would, remove the need for Medium Power Stations to have a contract with NGET; SPT&D still, however, have significant issues in respect to its implementation in Scotland. Please see our consultation response to NGET in respect of Grid Code consultation D/05 and our ongoing correspondence with Mark Duffield in this respect.

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The LEEMPS proposals (and the corresponding Licence amendments), are cited by NGET as one of the main justifications for this CUSC amendment. We are therefore surprised that both the CUSC amendment, and the Working Group Alternative Amendment 2 (WGAA2) both include Small Power stations within their scope. We further note that in the Grid Code Regional Differences Working Group (RDWG) that NGET have not made any proposals in respect of changing the size thresholds for Medium Power Stations in England and Wales. We would expect that changes in the CUSC based upon the technical impact of power stations to be driven by proposed changes to the GB Grid Code.

The inclusion of Small Power stations, albeit with a de-minims level of 30MW, is thus unjustified, and places an unnecessary burden on Generators and DNOs. The proposed provisions for the DNO to utilize the procedure where they "reasonably believe that such a connection may have a significant effect" is sufficient to deal with the few cases where this occurs.

In the RDWG, SPT&D have proposed that the size threshold for the small power station category should be lifted to 30MW in the SPT Transmission Area.

At the RDWG Meeting held on Tuesday 6th December the consensus reached included support for the above proposal for incorporation in the final report to the GCRP. National Grid stated in this meeting and confirmed in the minutes that this consensus proposal above was acceptable from the System Operator's perspective. Our qualified support for the principles behind CAP097 is based upon these changes being implemented in the GB Grid Code.

STC IMPACT

Having studied all of the proposals carefully we believe that it will be necessary to make corresponding amendments to STC. However, these changes still need to be considered, carefully drafted and their impact assessed by the STC parties so that the necessary changes to STC can be made. We do not believe CAP097 will work in Scotland without these necessary STC modifications.

TIMESCALES

As a DNO, we remain concerned about the timescales involved in preparing the offer and ensuring that it is completed within 3 months. Under either the CAP097 proposal or either of the two alternatives we would not expect that a generator will have a full financial picture if transmission works were required within the timescales to prepare an offer. However, the proposed timescale of five days in the CAP097 original proposal for the Generator and the DNO to agree whether a Statement of Works should proceed to a full Modification Application is unrealistic. In this respect we prefer WGAA2.

FINANCIAL SECURITY

We also have some concerns surrounding the provision of financial security for the final sums through the construction phase that the DNO is required to provide and the financial risk of such security. As a DNO, we will have no option but to then pass this onto the generator who has made the application. This applies to both the original proposal and WGAA2.

However, the alternative in WGAA1 is even less satisfactory. There is no contractual basis for the DNO to offer a completion date to the generator, and little incentive for the transmission companies to complete the necessary transmission infrastructure. Indeed, since the transmission companies will bear a significant risk of stranded investment should the generation project not go ahead – there would be disincentives against the timely construction of the transmission infrastructure. This would not facilitate competition in generation.

SUMMARY

CAP 097 as drafted would imply a significant and unnecessary change in Scotland in imposing obligations on distributors down to 5MW unless the definition for Small, Medium and Large was changed. Both SPD and SPT have worked with NGET in respect of connections to the distribution system in Scotland with an agreed threshold of 30MW consistent with the arrangements put in place in respect of BETTA and EELPS. These arrangements have worked well. We do not believe that if this threshold was lowered to 5MW it would better facilitate competition. It would produce unnecessary administrative and cost burden on the connection offer process.

In England and Wales, no case has been made for including power stations down to 30MW within the scope of this proposal. We support the objective of clarifying CUSC 6.5, but note that the detailed justification included the Licence changes and the corresponding LEEMPS proposals, which dealt with Medium Power stations. No changes to the thresholds of Medium Power stations have been proposed for England and Wales.

We cannot therefore support either the original proposal, or either of the two working group amendments as drafted, but could support an alternative as below.

CONSULTATION ALTERNATIVE AMENDMENT

We would however like to formally propose a Consultation Alternative Amendment based upon WGAA2 as follows: -

(i) Medium Power stations removed in Scotland in line with the RDWG proposals,
(ii) The proposals are limited to Medium Power Station (and not Small Power Stations) in England and Wales. i.e. a 50MW threshold in England and Wales.

We note that this amendment would also require that suitable changes are proposed for the STC and their impact properly assessed by the STC Parties.

CONCLUSION

We believe that this Consultation Alternative Amendment would simplify the process, align with the current LEEMPS proposals, and better facilitate the CUSC objectives. We believe that this would align the CUSC with current circumstances while the wider review of issues surrounding embedded generation takes place. We would be happy to work with NGET on this proposal to take it forward.

Yours sincerely,

D J Houlbrook
On behalf of SP Manweb, SP Distribution and SP Transmission

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01 December 2005

Dear Ms Paradine

CAP097 – Revision to the Contractual Requirements for Small and Medium Power Stations under CUSC 6.5

We have followed the development of the CAP097 proposals carefully. We believe that this issue is of crucial importance to the future efficient management of the connexion process for distributed generation in the immediate future.

Overall we strongly support the approach behind Working Group Alternative Amendment 1. We believe that this amendment recognizes an appropriate balance between economic purity and the practical effects on the development of smaller distributed generation projects.

We have serious concerns that the original proposal has a disproportionate effect on smaller renewable generators. Although the original proposal approach does not necessarily result in final charges to successful projects, the risk is charged fully to the small generator precipitating the work. Of course, given the current pressure on transmission system development, these risks are both large and volatile. We believe it is more proportionate for that risk to be shared with (or practically in this case, borne by) the wider industry.

To us there are clear parallels with the approach that Ofgem took in the Distribution Price Control Review. Here Ofgem replaced the so-called deep charging approach of DNOs with a mechanism that charges generators for only the proportion of reinforcement assets that will be used by them in the future. We believe this to be appropriate, and believe that it is disproportionate to visit transmission reinforcement risk costs on small generators.

We also have concerns about the overall efficiency of both the original proposed amendment and WGAA 2[1]. In both these cases there is significant bureaucratic management of the

[1] Although UU drafted WGAA 2 this was done simply to improve on the Original Amendment. UU prefers WGAA 1 over all other amendments, but prefers WGAA2 to the original proposal

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process required, particularly the interface between the DNO and NGET. Again, it seems disproportionate for small generator applications to be mired in this. Hence our strong support for WGAA1.

On points of detail in the drafting legal text, we are not sure that CUSC 1.3.2 should remain unaffected by the proposed original or WGAA2 modifications. As drafted 1.3.2 could be seen to catching all embedded power stations, regardless of size, which of course will frustrate the intentions of this CAP. Also in both the original amendment and WGAA2 we find the definition of Relevant Embedded Small Power Station hard to tie up precisely with the arguments in the consultation paper. Specifically it is not clear if the sub conditions are alternatives or concurrent, in spite of the "and" between clauses (b) and (c). We suggest that there should also be an "and" between clauses (a) and (b).

Yours sincerely,

Mike Kay
Chief Engineer
Electricity Business Stream

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Company	Western Power Distribution

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Amendments Panel Secretary
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Date
12th December 2005

Dear Lindsey,

CAP097 Revision to the Contractual Requirements for Small and Medium Embedded Power Stations under CUSC 6.5

Thank you for the opportunity to respond to latest consultation on CAP097. This response represents the views of Western Power Distribution (South West) and Western Power Distribution (South Wales).

WPD believe that clarification is required within this area where the connection of Small & Medium Power Stations to the DNO's network that could have an impact on the Transmission System. Any amendment should clarify the contractual process/relationships and clearly state timescales.

WPD shares the concerns raised by the working group over the 5 day cooling off period (as contained in the original amendment proposal), within which the DNO could withdraw from the process. It is our view that on the majority of occasions 5 days would not be sufficient for the DNO to consult with the developer and for him to undertake any subsequent financial/project review. We would therefore support the timescales and process proposed under WGAA2.

Yours sincerely

Tony Berndes
Primary System Design Manager

ANNEX 3B – REPRESENTATIONS RECEIVED DURING CONSULTATION ALTERNATIVE CONSULTATION

This Annex includes copies of all representations received following circulation of the Consultation Alternative Document to CAP097 (circulated on 23rd December 2005, requesting comments by close of business on 11th January 2006).

Representations were received from the following parties:

No.	Company	File No.
1	CE Electric UK	CAP097-CAR-01
2	EDF Energy	CAP097-CAR-02
3	E.ON UK	CAP097-CAR-03
4	Scottish Power Energy Wholesale	CAP097-CAR-04
5	SP Transmission and Distribution	CAP097-CAR-05
6	United Utilities	CAP097-CAR-06

No.	Company	File No.
1	CE Electric UK	CAP097-CAR-01

Your ref

Our ref

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11 January 2006

Dear Mark

CUSC Amendment Proposal CAP097:
Revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5

Thank you for the opportunity to comment on this proposed CUSC amendment, and for the assistance of you and your colleagues during this process. I am writing on behalf of CE Electric UK (CE) and its subsidiary distribution licensees and CUSC parties, Yorkshire Electricity Distribution plc (YEDL) & and Northern Electric Distribution Limited (NEDL).

Overall, we submit that the core amendment is disproportionate. If the issue is individual connections, then the case must be made for small and medium generators to face significant financial liability. If the issue is one of cumulative impact, the proposals fail to address this, as the liability would fall only on single developers.

We submit that CAA 1 is essential to CUSC objectives, as it:

- facilitates competition in generation, by avoiding the disproportionate financial burden associated with National Grid's proposals; and
- facilitates the efficient development of the transmission system, by:
    - providing National Grid with all the information they need to plan efficient reinforcement works; and
    - providing for deferral of energisation of generator sites until, within reason, National Grid have completed any necessary transmission works

We suggest that the test for any other proposal should be that it provides for demonstrably more efficient development of the transmission system, which more than offsets the detriment to competition in generation from any charging proposals.

Further, we submit that the concerns expressed by National Grid are misplaced as:

- we were surprised to see National Grid state that they would discriminate in the completion of transmission reinforcement works on the basis of the presence (or absence) of a construction agreement. It also seems to us that, were National Grid constrained in its ability to deliver investment, then even works under construction agreements could be delayed;
- given that the transmission system has a limited number of nodes, and the proposed amendment considers the aggregate impact of numbers of small and medium embedded power stations rather than large directly-connected power stations, it is not clear to us that significant work should be required to assess the impact of each individual embedded generation connection. Rather, it seems to us perfectly practical that National Grid should be able to take a view of maximum acceptable generation penetration, perhaps as part of the preparation of the SYS. Indeed, this is already the case, albeit at a high level, as shown by the 'opportunities' section within that document. This would then inform National Grid's decision on when to request distributors to defer connection of embedded generation. It also seems to us that there is undue discrimination between demand and generation, in respect of transmission reinforcement, under National Grid's preferred approach; and
- we still do not accept that it would be efficient for transmission reinforcement works to be predicated on individual small or medium embedded generation connections[1]. Instead, we submit that such works should be justified by National Grid on the basis of the aggregate generation connected, or likely to connect, in a given area, in exactly the same way as distributors must justify investment under paragraph 2.10 of the DG RIGs. On this basis, the risk of inefficient investment is negligible, and certainly no greater than for investment to support demand.

It is well established that economic signals (that in turn facilitate efficient system investment) can be sent through transportation, as well as connection, changes. As noted by National Grid themselves, in responding to Ofgem's discussion paper on enduring transmission charging arrangements for distributed generation, efficient investment would be facilitated through a transmission charging regime that impacted embedded generators, such as the supplier agency model that both CE and National Grid support.

Finally, it has come to our attention that there is at least one consequential amendment required if CAA 1 were to be approved, specifically that 'large' should be inserted between 'embedded' and 'power station' in CUSC 1.3.2.

I trust you find this a helpful contribution: if you would like to clarify any of the points raised, please do not hesitate to call on the number above.

Yours sincerely,

Dave Miller
Senior Network Investment Engineer

[1] for the avoidance of doubt, we expect that works at connection sites, which are likely to be predicated on individual connections, would be secured under the existing Modifications process

No.	Company	File No.
2	EDF Energy	CAP097-CAR-02

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11 January 2006

EDF ENERGY

Dear Mark

CUSC Amendment Proposal CAP097

Thank you for providing us with an opportunity to comment on the second consultation for revision to the contractual requirements for small and medium embedded power stations under CUSC clause 6.5.

We continue to support the overall aim of the proposals, which is to identify, before energisation, whether an embedded power station would have a significant effect upon the transmission system. With this in mind, we have considered the consultation alternative amendments presented in your paper of 23 December 2005 and continue to believe that our proposal (CAA2) best meets the objectives.

We note your concerns in paragraph 8.2.1, regarding the applicability of the amendment to small power stations and also the aggregate effect of small power stations to NG.

The first point is a connection process and quite rightly dealt with in advance of connection for individual DG greater than a threshold, where the step change impact is deemed to be potentially big enough to need prior appraisal and/or works. We continue to believe that the small/medium power station division is the best threshold and that the opportunity under our proposal for the DNO to inform NG of specific small power stations should ensure that appropriate DG can be brought to the attention of NG without an overly bureaucratic process.

The second point relates to the effect of any DG below the threshold, but where the aggregate capacity of a small cluster of DG exceeds the specified threshold. This is clearly not related to the step increase in impact of a particular and perhaps tiny DG. Therefore this should be a planning process that is decoupled from the connection process for sub-threshold DG stations.

If you have any queries on the above please do not hesitate to contact me.

Yours sincerely

Paul Measday
Regulation Analyst

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No.	Company	File No.
3	E.ON UK	CAP097-CAR-03

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11 January, 2006

Dear Mark,

CAP097 Consultation Alternative Amendments

I am responding on behalf of E.ON UK to the above consultation. We remain unsupportive of this amendment, although we consider that some of the Consultation Alternative Amendments (CAAs) are improvements on previous proposals.

In our response to the consultation document, we stated that our main objections to CAP097 are that:

1. All Medium Power Stations would be captured by the proposals, which would mean stations as small as 5MW being notified in Scotland. We believe that a threshold of 50MW should be set across GB.

2. The relevant power stations would be exposed to Final Sums Liabilities through the relevant distribution business. This we believe would be a retrograde step, as present Final Sums Liability provisions are already threatening to obstruct the progress of a number of transmission connected projects.

None of the CAAs that have subsequently been raised address both of these issues, although two of the options address them to a limited extent.

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Consultation Alternative Amendment 1

This CAA is based on WGAA1 which was the proposal which had previously most support from us, although we still do not believe that it is better than the present baseline. WGAA1 has the beneficial attribute that it did not attract Final Sums Liabilities for the distribution business, and thus there was no corresponding Final Sum Liability for the respective generator either. CAA1 represents an improvement on WGAA1 as it would require National Grid to draw up a timetable for any reinforcement works which are required to accommodate the generator. However, the proposal is still drafted in respect of Medium Power Stations (and indeed some Small Power Stations) and therefore remains unacceptable to us for this reason.

Consultation Alternative Amendment 2

This amendment is based on WGAA2 which captures Medium (and some Small) Power Stations and results in Final Sums Liabilities. Therefore, WGAA2 is unacceptable to us on two counts. CAA2 removes the requirement for any Small Power Stations to be notified and as such represents an improvement. However, both problems remain and therefore, it does not have our support.

Consultation Alternative Amendment 3

This alternative is also based on WGAA2 and changes the requirements so that only stations of 50MW and over should be notified. This represents an improvement in that it meets the first of our concerns. However, the attraction of Final Sums Liabilities remains. The Final Sums Liability issue is the greater of our two concerns, as it is likely to have a more detrimental effect on competition. We therefore cannot support this amendment.

Consultation Alternative Amendments 4 to 6

As these CAAs merely represent a change to the original proposal and the Working Group Alternative Amendments to replace “NGC” with “The Company”, we do not believe that any of them represent sufficient improvement as to merit support.

Conclusion

In summary, we still do not fully support any proposed amendment. However, were we required to support one, our preference would be for CAA1.

I hope that the above comments prove helpful.

Yours sincerely,

Paul Jones
Trading Arrangements

No.	Company	File No.
4	Scottish Power Energy Wholesale	CAP097-CAR-04

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Ref CAP097
Date 11th January 2006

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Dear Mark,

CUSC Amendment Proposal CAP097, Revision to the contractual requirements for Small and Medium Power Stations under CUSC 6.5

Consultation Alternative Amendments

Thank you for the opportunity to comment on the Consultation Alternative Amendments for CUSC Amendment Proposal CAP097 regarding the contractual requirements for Small and Medium Power Stations under CUSC 6.5. This response is submitted on behalf of ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

In our response to the original and working group alternative amendment proposals we expressed concern at the inclusion of small power stations within the scope of CAP097 and the potential adverse impact on generation developments which this could cause. We note that CAA3 excludes from the CAP097 process Embedded Small and Medium Power Stations of less than 50MW capacity unless the DNO reasonably believes that they may have a significant impact on the transmission system. Of all the proposals so far tabled we believe that this one is the most proportionate to the problem which National Grid seeks to address, has the least impact on the development of small scale generation projects and hence most effectively facilitates competition in the generation of electricity.

Yours sincerely

John W Russell

SAIC Ltd.
For and on behalf of: ScottishPower's Energy Wholesale Business which includes ScottishPower Generation Ltd, ScottishPower Energy Management Ltd and CRE Energy Ltd.

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No.	Company	File No.
5	SP Transmission and Distribution	CAP097-CAR-05

SP Transmission & Distribution

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Your ref

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Date

Contact/Extension 11TH January 2006

Dear Lindsey

CUSC Consultation Alternative Amendment Proposal CAP097, Revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5

Thank you for the opportunity to comment on CUSC Consultation Alternative Amendment Proposal CAP097 regarding the revision to the contractual requirements for Small and Medium Embedded Power Stations under CUSC 6.5. This response is submitted on behalf of Scottish Power's Distribution and Transmission Businesses, which include SP Manweb plc, SP Distribution Ltd. and SP Transmission Ltd. (SPT&D).

We note that many of the respondents shared our concerns over size thresholds, and suggest that a decision might logically be taken together with a decision on thresholds under the ongoing small, medium & large proposals which we would support however, we additionally suggest that a decision needs to also await the STC proposals CA016 & CA017.

We believe that CAA3 addresses our concern with the original CAP 97 proposals but we would also be prepared to support CAA2 depending upon the outcome of small, medium & large proposals.

We believe that CAA4 (=CAP097 by another name) still leaves too short a time for the DNO to enter into discussions with generator about proceeding and that CAA5 & CAA1 - have the problems of securing reinforcement; though we note that a number of respondents were also had concerns regarding passing on the requirement for security cover onto the generator. CAA6 - still has problems re size thresholds.

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CONCLUSION

In view of the above and the many amendments proposed we believe that it is necessary to align CAP097 with a decision on thresholds under the ongoing small, medium & large proposals and the STC proposals CA016 & CA017. Our preferences are in order (i) for CAA3 and (ii) subject to the outcome of the small, medium and large Grid Code Review being in line with the recommendations of the working group CAA2. However, we believe that an overall decision should be delayed until the recommendations of both the two other proposed changes are known.

Yours sincerely

D J Houlbrook
On behalf of SP Manweb, SP Distribution and SP Transmission

No.	Company	File No.
6	United Utilities	CAP097-CAR-06

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11 January 2006

Dear Mark

CAP097 – Revision to the Contractual Requirements for Small and Medium Power Stations under CUSC 6.5

Thank you for the opportunity to consider the Consultation Alternative Amendments arising from CAP097 consultation.

We note that all respondents who have proposed further alternatives share a common view that it is important as far as possible to avoid binding smaller generators and the DNOs into the bureaucracy of the CUSC in relation to Small Power Station projects.

UU remains of the view that the overall CUSC objectives are best served by considering Small Power Stations effects simply as minor changes to the planning background. It is therefore disproportionate to specifically capture their effects in CUSC obligations. This view is based on our assessment of the likely growth of Small Power Stations cf that of Medium Power Stations. For Medium Power Stations we continue to support fully a formal assessment in each case.

We therefore support CAA1.

We have noticed a minor flaw in the formulation of CAA1. We believe it is necessary to make a small adjustment to the wording of CUSC 1.3.1 to avoid any confusion about the applicability of this clause post the introduction of CAA1 changes. Our suggested drafting is:

1.3.2 Construction Agreements

Each **User** who wishes to construct or modify a direct connection to the **GB Transmission System** or commence or modify use by a~~n~~ **Medium or Large Embedded Power Station** or **Distribution Interconnector** shall enter into and comply with a **Construction Agreement** in respect of any construction

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works required as a result of that connection or **Modification**, together with a **Bilateral Agreement** as identified in Paragraph 1.3.1 or, as appropriate, an agreement to vary such **Bilateral Agreement**.

This drafting would obviate the risk of 1.3.2 being applied to an Embedded Small Power Station in contradiction to the CUSC 6.5.1 drafting of CAA1.

Please so not hesitate to contact me if you need any further clarification of the above.

Yours sincerely,

Mike Kay
Chief Engineer
Electricity Business Stream

ANNEX 4 – REPRESENTATIONS RECEIVED UPON THE DRAFT AMENDMENT REPORT

This Annex includes copies of any representations received following circulation of the Draft Amendment Report (circulated on 23rd January 2006, requesting comments by close of business on 30th January 2006).

Representations were received from the following parties:

No.	Company	File Number
1	CE Electric	CAP097-AR-01

Reference	CAP097-AR-1
Company	CE Electric

-----Original Message-----
From: Miller, David [mailto:David.Miller@ce-electricuk.com]
Sent: Monday, January 30, 2006 2:40 PM
To: Duffield, Mark
Subject: CAP097: Draft Amendment Report

Mark

The only point I have is that this doesn't fully reflect the issues we've raised (e.g. in our letter of 12 December 2005, responding to the
first consultation)in respect of our ability to pass on costs. I therefore suggest you insert after para 4.19 words to the effect of

One distributor argued that the effect of the distribution connection
charging regime was that financial liabilities that might arise in respect of the cumulative impact of a number of generation connections
could not be backed off across that group of developers unless they all
come along together (which is unlikely). Therefore, the impact will generally be felt by single developers, which dilutes the economic signals

Thanks
Dave

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