

CUSC Amendment Proposal Form	CAP: 76
Title of Amendment Proposal:	
Treatment of System to Generator Intertripping Schemes	
Description of the Proposed Amendment <i>(mandatory by proposer):</i>	
<p>The current framework for a System to Generator Intertripping Scheme (“A Scheme”) fails to facilitate clarity of obligations between NGC and the associated Generator with respect to the arming and operation of the Scheme. Furthermore, there is a significant risk that the operation of a Scheme could have an adverse impact upon the Industry by virtue of the large cash flows that could be created.</p>	
<p>This proposal seeks to address the above shortcomings by proposing to treat a Scheme as an Ancillary Service and covers categorisation, remuneration and obligations relating to a Scheme. The main elements of the proposal are described below:</p>	
<p>i) Categorisation of System to Generator Intertrips</p>	
<p>This proposal seeks to define different categories of Schemes within the CUSC. The categories proposed are as follows:</p>	
<p><u>Category 1:</u></p>	
<p>A System to Generator Intertripping Scheme arising from a Variation to Connection Design consistent with the criteria specified in the Security and Quality of Supply Standard (SQSS) as established pursuant to Condition 12 of the Transmission Licence.</p>	
<p><u>Category 2:</u></p>	
<p>A System to Generator Intertripping Scheme required to alleviate an overload on a circuit, that connects the group containing the Generator to the rest of the System. The operation of the Scheme means any MW reduction from the Generator has exactly the same MW reduction on the circuits that connect the Generator to the rest of the System (when any system losses or third party system effects are ignored). The Scheme is installed in accordance with the requirements of the planning criteria of the SQSS for measures to be taken to permit maintenance access for each transmission circuit and for such measures to be economically justified.</p>	
<p><u>Category 3:</u></p>	
<p>A System to Generator Intertripping Scheme installed as an alternative to reinforcement of a third party system, where the Scheme removes overloads on the third party system e.g. DNO system. The Scheme is installed in accordance with paragraph 1.4 of the SQSS.</p>	
<p><u>Category 4:</u></p>	
<p>A System to Generator Intertripping Scheme installed at the request of NGC under circumstances when the Generator would be disconnected from the Transmission System and where the use of such schemes would be beneficial in order to facilitate the timely restoration of critical circuits.</p>	
<p>Note, not covered in these four Categories is the situation where a Scheme is used to resolve general system issues (i.e. not locationally specific to the generator with the Scheme). This would be a commercial requirement and terms and remuneration for the Scheme would be subject to commercial arrangements.</p>	
<p>ii) Remuneration for categories of Intertrips</p>	
<ul style="list-style-type: none"> - As a Category 1 Scheme relates to circumstances arising as a condition of a Variation to Connection Design, which, in accordance with the SQSS, must not result in additional costs to any other customer, it is not proposed that this category receives any remuneration. - In order to limit the provider’s exposure to imbalance prices following operation of a Scheme, the service would be considered to be an Applicable Balancing Service and hence the volume tripped off (for up to 24 hours post trip) would be included within the Applicable Balancing 	

- Services Volume Data (ABSVD) for the above Categories 2,3 and 4.
- For Categories 2,3 and 4 should NGC be unable to restore Transmission Capacity within 24 hours following the trip , the party with the affected Generating Unit(s) would receive an access rebate at a daily rate to remunerate the restriction on their access to the Transmission System (in accordance with the principles of CAP 48).
 - Additional administered payments to be made for Categories 2 and 4, which would be in the form of a capability fee and a tripping fee. These would be:
 - An annual capability fee (£/ annum) for the installation and right to arm the Scheme. This fee would cover administrative costs, training and overhead costs at the station, associated with the provision of the Scheme. The fee would also cover the costs of installing and maintaining the User's equipment for the Scheme within the station e.g. additional staff training, upkeep of policies and procedures together with technical maintenance of the intertrip.
 - As Generators are also exposed to a number of costs such as wear-and-tear following a trip, NGC believe it appropriate that this risk is covered by paying a tripping fee whenever such a Scheme operates (£/MW/Trip). However, as all power stations have to be designed to tolerate the onerous possibility of full load rejection for certain extreme events, this would specifically exclude consequential losses. It is envisaged that the actual details of the capability and tripping fees should be discussed and developed as part of the working group process.

iii) Clarification of the framework and obligations for the above categories of intertrips

The categories outlined in (i) will all be treated as Ancillary Services, with the generic terms for categories 1-4 to be covered within the CUSC and site specific details contained within Appendix F3 of the Bilateral Connection Agreement (BCA). The generic terms within the CUSC would include:

- Obligations on providers with respect to arming Schemes-
- The ability for NGC to revise the Scheme arrangements within the BCA without being subject to the Modification process. This would be required following certain appropriate system changes e.g. changes to local routes to the User, TEC adjustments.
- The remuneration mechanism including terms for access rebate, volume for inclusion within the ABSVD, and the administered Capability and Tripping fees for categories 2 and 4.

The provisions for arming Schemes will be detailed within the Grid Code.

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

The CUSC does not currently contain details regarding NGT's obligations with respect to the treatment of Schemes that are installed at the time of the connection of a generator. Compensation for operation of an Operational Intertrip is dealt with under the terms of the Grid Code (BC2.5.2.3) and BSC (Q 5.1.5), with the site specific details for arming and operation captured within Appendix F3 of the BCA of the generator. At present a Bid-Offer Acceptance is issued following the operation of a Scheme. This BOA continues until the end of that Balancing Mechanism window. This means the Generator is only covered for a maximum of 1½ hours. Due to the limited compensation window, NGC has experienced reluctance from Generators to arm their Schemes.

At present there is the possibility that Generators submit a large negative bid price when an Intertrip is armed. In the event that this Scheme operates this would have the potential to significantly distort imbalance prices, and also result in considerable cash flows around the industry. This is particularly inappropriate for what is entirely a system issue (namely a Transmission fault).

Furthermore, there is a lack of clarity regarding the categories of Schemes, and the consequent reason to install such Schemes at the time of connection.

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

Substantive CUSC changes to include:

CUSC Section 2:

Remove reference to Appendix F3 of the BCA from 2.9.3 (b) of the CUSC to be consistent with the circumstances now described in CUSC ~~section~~ Section 4 where the requirement to raise a Modification Application in order to alter Appendix F3 will not apply.

CUSC Section 4: Balancing Services

Additional section under 4.2 (Other Balancing Services) outlining the generic contractual arrangement for the categories 2-4. To include:

- Administered capability and tripping payments
- Volume for inclusion within the ABSVD
- Access rebate provisions
- Revisions process for Appendix F3

CUSC Section 11: Interpretations and Definitions

Clarification on high level Operational Intertripping definition in relation to System to Generator Intertripping Schemes. Definitions for categories 1-4 of Schemes.

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

Changes are also required to the following industry documents to fully implement this overall proposal:

- Grid Code (Removal of existing Intertrip remuneration mechanism and amendment to the scope of Commercial Ancillary Services to cover those set out in Section 4.2 of CUSC.)
- BSC (Removal of Q5.1.5 and any references to it)
- Procurement Guidelines
- Applicable Balancing Services Volume Data Methodology Statement
- Bilateral Connection Agreements: For Generators with an existing Intertrip scheme which is outlined in Appendix F3 of their BCA, the proposed amendment would alter the remuneration mechanism. Should the amendment be approved then NGC would seek to raise modifications to the Appendix F3 for existing providers in order to align them with the new CUSC terms.

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

- NGC Ancillary Services Settlement Systems

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

Consequential Grid Code, BSC and Transmission Licence AA4 document changes will be pursued in parallel to this proposal.

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

As proposer of this modification NGC believes that the introduction of an improved framework for Schemes would better achieve the applicable CUSC objectives in the manner described below.

(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence.

By removing the post-event Bid-Offer Acceptance from the Grid Code and introducing new terms for discrete categories of Schemes in the CUSC the Amendment Proposal would enable NGC to discharge its obligations under the Act and the licence more efficiently by:

- removing NGC and Industry exposure to the consequences of operation of a Scheme with an

- associated large negative bid price;
- clarifying the CUSC based contractual framework;
- clarifying the requirement to install certain categories of Schemes where required as a condition of connection for a Generator;
- better enabling accurate economic assessment for installation of Schemes as against transmission reinforcement at the time that applications are made for new connections;
- minimising exposure of Generators to imbalance prices following operation of a Scheme and thereby mitigating some of the current reluctance by generators to arm and use Schemes.

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

Providing an improved framework for the treatment of Schemes would facilitate effective competition in the generation and supply of electricity by:

- ensuring an enhanced level of market certainty with regard to processes, responsibilities and remuneration;
- clarifying obligations on Generators whose Schemes are a condition of connection;
- reducing the financial risks faced by Generators due to operation of Schemes;
- reducing the risks faced by the industry through distortion of imbalance prices.

Details of Proposer: Organisation's Name:	NGC
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:	Sarah Habib National Grid Transco 01189 363705 sarah.habib@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Isabelle Haigh National Grid Transco 01926 653441 isabelle.haigh@ngtuk.com
Attachments (Yes/No):No If Yes, Title and No. of pages of each Attachment:	

Notes:

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.
2. The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

The completed form should be returned to:

Richard Dunn
Panel Secretary
Commercial Development
NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: CUSC.Team@ngtuk.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

3. Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.