

CUSC Amendment Proposal Form	CAP: 071
<p>Title of Amendment Proposal:</p> <p><u>Development of a Maximum Generation Service</u></p>	
<p>Description of the Proposed Amendment (mandatory by proposer): This proposal seeks to improve the efficiency and effectiveness of the current Maximum Generation arrangements by developing the service along the lines contemplated by the BSSG.</p> <p><i>i) Greater Clarity of Process</i></p> <ul style="list-style-type: none"> * Clear guidelines as to how and when the service may be called (to be included in the Grid Code and AA4 Documentation). This should cover the interaction with BM Bids and Offers, System Warnings and Demand Control. * Maximum Generation Service to be called via an Emergency Instruction (as described in BC2.9) * Notification to warn of imminent instruction (where possible). <p><i>ii) Technical Parameters</i></p> <ul style="list-style-type: none"> * All Generation above MEL to be treated as Maximum Generation. * An appropriate technical parameter should be adopted to provide an upper limit for normal generation (perhaps Registered Capacity (RC) as this can be altered within year). This can then be used in conjunction with MEL to calculate the volume of energy to be considered for remuneration (See iii). <i>For the purpose of clarity, the technical parameter shall be referred to as [RC] for the remainder of the document, but shall be interchangeable with an alternative suitable technical parameter should such a change be considered appropriate.</i> <p><i>iii) Remuneration</i></p> <ul style="list-style-type: none"> * Where MEL is equal to [RC], remuneration shall be guaranteed for 100% of the energy provided under a Maximum Generation instruction. * Where MEL is below [RC], Maximum Generation shall be guaranteed remuneration for the first [x]% of [RC] over MEL. 'x' shall be a standard percentage for all providers and should be listed within the CUSC. 'x' may vary according to technology type. * If more than [x]% of [RC] can be produced in a circumstance where MEL is below [RC] then the additional energy will be remunerated subject to an appeals mechanism. * Costs should feed in to imbalance prices as this will help provide the correct market signal. * Prices within contract with [y] days notice period to vary. This would be similar to the current arrangements (where y is set to 5 to allow for notification and adjustment of the Ancillary Services settlement systems). <p><i>iv) Improved Transparency</i></p> <ul style="list-style-type: none"> * The transfer of generic information currently contained within bilateral contracts in to the CUSC. * Published figures showing the volume and prices of maximum generation offered (Monthly basis in arrears). * Published figures showing the capacity, price and utilisation of the Maximum Generation Service post event. * The ability to vary the notice period of [y] days shall be specified within the CUSC. 	
<p>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer): NGC recently implemented a Maximum Generation service for winter 2003/04. This decision was based on the rationale that this Emergency Service could facilitate additional security of supply by accessing generator output which would otherwise be unavailable prior to Demand Control. Unfortunately due to the limited time available to implement the new Emergency Service prior to Winter 2003/04 it was not possible to address some important governance issues which in the longer term would be able to ensure greater levels of transparency and utilisation of the Service. National Grid identified this issue....</p> <p><i>"In the longer term a more developed service could be considered. This is likely to involve substantial changes to the BSC and/or CUSC (for example to allow for non-firm BM offers) and is therefore not considered feasible for this winter".</i> (Grid Code Consultation Document 22nd September 2003)</p> <p>This amendment seeks to enhance the arrangements for last winter and thereby better achieve the applicable CUSC objectives. The aim and scope of this amendment proposal are in line with the recent considerations of the BSSG.</p>	

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

Changes will be required to Section 4.
Additional section 4.2.4 describing the Maximum Generation contractual arrangements.

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

AA4 Documentation:

- ABSVD (review of current provisions)
- Changes required to PGs

Additions to the Grid Code including;

- Consequential changes to BC2.9 to reflect the contractual arrangements in the CUSC.
- OC7.4.8 NGC System Warnings

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

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

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

As proposer of this modification we believe that the facilitation of a Maximum Generation Service through the CUSC would better achieve the applicable CUSC objectives.

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

By facilitating a Maximum Generation Service the market will receive the appropriate signals to provide additional generation on a reasonable endeavours basis. This should serve to increase the security of supply in an efficient manner.

(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 a clear framework for a Maximum Generation Service should ensure an enhanced level of market certainty with regard to processes, responsibilities and remuneration.

Additionally, this amendment seeks to improve transparency by allowing market participants to see published information about the volume of service offered (on a monthly basis) and the capacity, price and utilisation of Maximum Generation post event. Transferring the generic information contained within the current bilateral agreements in to an industry document will also increase transparency and therefore facilitate effective competition.

Details of Proposer: Organisation's Name:	Powergen UK plc
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:	Neil Smith Powergen UK plc 02476 424369 neil.c.smith@pgen.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Claire Maxim Powergen UK plc 02476 425378 Claire.maxim@pgen.com
Attachments (Yes/No): NO If Yes, Title and No. of pages of each Attachment: N/A	

Notes:

- 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.
- 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
National Grid Company plc
National Grid House
Kirby Corner Road
Coventry, CV4 8JY
Or via e-mail to: CUSC.Team@uk.ngrid.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).

- 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.