

Changes to CUSC as a result of BETTA

Ben Graff

Industry Codes Development Manager

CUSC Panel

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National Grid Transco

UK Transmission

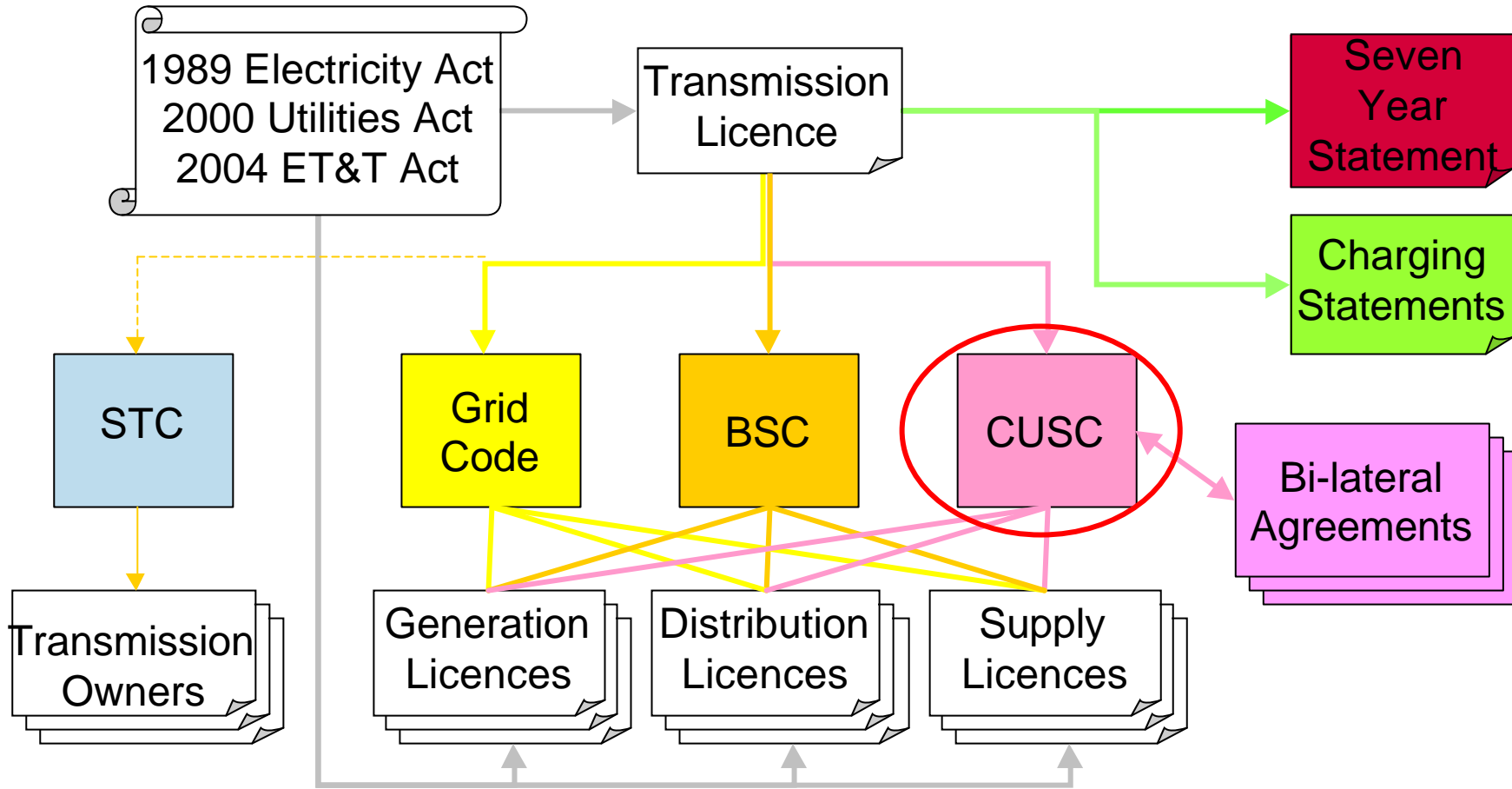
Introduction

- High Level Features of the GB CUSC
- Limitation of Liability
- EELPS
- Cut Over
- Other Issues

A time of industry change

- New Operational and Contractual arrangements for NGC and Scottish Users.
- 28 CUSC Consultations
- CUSC itself has not changed significantly

The Legislative and Contractual Framework - Electricity Market



High Level Features of the CUSC at Go-live

- England and Wales CUSC forms the basis for the GB CUSC.
- English Law applies.
- Amendments Panel structure and function unchanged.
- TO's not a party to the CUSC.

Limitation of Liability

- **WHAT** - New CUSC “Cap” at £5 million.
- **WHY** - Scottish bilateral agreements already had a “Cap.”
- **How** - 6.12.1 - wording explicitly incorporates this.

EELPS

- **WHAT** - Scottish “large,” Embedded Generators to sign CUSC (BEGA/ BELLA.)
- **Why** - Impact of such Generators on System such that agreement with NGC/ Grid Code compliance necessary
- **How** - 6.5.1 revisions require DNO’s not to energise without works being complete/ best endeavours obligation re existing EELPS

BETTA Transitional Consultation

CUSC Cut-Over

- **WHAT** - Issuing charges, Contingencies re entering into a MSA prior to Go-Live, Minor clarification regarding Disputes, Confidentiality.
- **WHY** - Changes identified by NGC/ Ofgem as being necessary for BETTA Go-live
- **HOW** - Introduction of further provisions within transitional section 12

Other Issues

- NSLPA provision changes
- Governance change re GB election
- Co-ordination with SO-TO Code

Conclusions

- A significant Consultation exercise undertaken
- CUSC remains fundamentally unchanged in most respects
- Interaction with STC creates challenges going forwards