

**DRAFT FOR THE
AMENDMENTS PANEL
RECOMMENDATION VOTE**

AMENDMENT REPORT

CUSC Proposed Amendment CAP124

Clarification of the withholding of payments for Operational Intertrips

The purpose of this report is to assist the Authority in their decision of whether to implement Amendment Proposal CAP124

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Prepared by	National Grid

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1.0		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
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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP124 - Clarification of the withholding of payments for Operational Intertrips was proposed by National Grid and submitted to the Amendments Panel on 19th May 2006.
- 1.2 CAP076 introduced the System to Generator Operational Intertrip scheme into the CUSC. When the Intertrip is fired and the Generator is tripped off the system, National Grid may be required to pay the Generator an Intertrip Payment (Categories 2 and 4 only) and / or a Restricted Export Level Payment.
- 1.3 Section 4.2A.5 highlights circumstance when National Grid is not obliged to make an Intertrip Payment or a Restricted Export Level Payment.
- 1.4 CAP124 aims to include an additional clause within section 4.2A.5 expanding upon the current provisions to clarify that a Restricted Export Level Payment or Intertrip Payment may be withheld should the Intertrip operate when a User has failed to disarm the System to Generator Operational Intertripping Scheme in accordance with an instruction from National Grid.
- 1.5 Following industry consultation, which closed on 20th June 2006, E.ON UK plc proposed Consultation Alternative Amendment A to address two practical implementation issues they believed existed and National Grid proposed Consultation Alternative Amendment B.
- 1.6 Consultation Alternative Amendment A adds two additional elements to the original Proposed Amendment. Firstly, additional wording to include a reasonable timescale for a User to respond to an instruction to disarm and secondly the deletion of legal text in CUSC 4.2A.2.2(d) which the proposer believed is unnecessary and may result in Intertrip Payments being refused for trips which occurred as a result of the scheme being legitimately armed.
- 1.7 Consultation Alternative Amendment B is the original Proposed Amendment and the first element of Consultation Amendment A, as discussed above.

National Grid Recommendation

- 1.8 National Grid believes CAP124 Consultation Alternative B would better facilitate CUSC Applicable Objective (a) and is better than the original and Consultation Alternative Amendment A because it would ensure the withholding payment provisions for Operational Intertrips cover all current foreseeable events, is clear for both National Grid and Generators and that the obligation to act as soon as reasonably practicable is applicable to both parties.
- 1.9 National Grid believes the original Amendment compared against the current CUSC baseline represents an improvement, however to a lesser extent than Consultation Alternative B and Consultation Alternative Amendment A would not better facilitate the applicable CUSC objectives.
- 1.10 National Grid recommends that, should the Authority approve CAP124 or any of the alternatives, implementation should be ten business days after the Authority's decision.

Amendment Panel Recommendation

1.10

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.
- 2.2 Further to the submission of Amendment Proposal CAP124 (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 CAP124.
- 2.3 CAP124 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 19th May 2006 and the Amendments Panel determined that CAP124 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 Following consultation, E.ON plc and National Grid each proposed a Consultation Alternative Amendment. In accordance with the CUSC a further period of industry consultation was undertaken by National Grid, which closed on the 11th July 2006.
- 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

Original Amendment

- 3.1 CAP124 proposes to amend CUSC 4.2A.5 to include an additional provision expanding upon the current provisions to clarify that a Restricted Export Level Payment or Intertrip Payment will be withheld should the Intertrip operate when a User has failed to disarm the System to Generator Operational Intertripping Scheme in accordance with an instruction from National Grid.
- 3.2 CAP076 introduced the System to Generator Operational Intertrip into the CUSC with 4 Categories of Intertrip. Categories 2 and 4 carry an Intertrip Payment when the Intertrip is fired. The Intertrip Payment fee aims to cover a number of costs, such as wear-and-tear arising from the trip, start-up fuel costs to bring to generator back on etc.

- 3.3 In addition, the Generator may also be paid a Restricted Export Level Payment; this is the payment provisions introduced by CAP048 – Firm Access and Temporary Disconnection. Therefore, if the Generator is disconnected from the System for a period greater than 24 hours, a Restricted Export Level Payment may be made. This payment is a rebate of TNUoS based on actual or an average TNUoS fee across the country for the period of the disconnection.
- 3.4 The CUSC 4.2A.5 highlights circumstance when National Grid is not obliged to make an Intertrip Payment or a Restricted Export Level Payment.
- 3.5 At present there is a gap within CUSC 4.2A.5 in relation to withholding a payment when a Generator has failed to disarm in accordance with an instruction from National Grid. Therefore, if a Generator has failed to disarm an Intertrip as instructed and National Grid's equipment sends an erroneous signal to the Circuit Breaker which then Intertrips, the Generator should not receive an Intertrip Payment or Restricted Export Level Payment, as the Intertrip should not have been armed.
- 3.6 The probability of this event occurring is small but the Proposed Amendment ensures the withholding payment provisions within the CUSC cover all currently identified events.

Consultation Alternative Amendment A

- 3.7 E.ON UK plc proposed Consultation Alternative Amendment A believing the original Amendment was deficient in two areas and that it would be appropriate to make two additional changes.
- 3.8 Firstly E.ON UK proposed to amend CUSC 4.2.A.2.1(e) to allow a Generator a reasonable amount of time to respond to an instruction to disarm issued by National Grid in accordance with the System to Generator Operational Intertripping Scheme. The proposer believed that the original Amendment appears to place an obligation on Generators to disarm with immediate effect following the instruction from National Grid.
- 3.9 Consequently the proposer believed that this amendment would reciprocate National Grids obligation within CUSC 4.2A.2.2(d) which states that National Grid will "as soon as reasonably practicable" issue an instruction to disarm when the requirement for the arming of the Intertrip has ceased.
- 3.10 Secondly, E.ON plc proposed to amend CUSC 4.2A.2.2(d) to remove the text which states when an armed Intertrip has tripped upon the receipt of a signal sent by National Grid in accordance with the System to Intertripping Scheme, that signal will be deemed to be an instruction to disarm. The proposer of CAP124 Consultation Alternative Amendment A believed this provision is not clear and implies that the provisions of the original Amendment would apply to all trips which could result in a Generator being refused payments which occurred as a result of the scheme being legitimately armed.

Consultation Alternative Amendment B

- 3.11 National Grid proposed Consultation Alternative Amendment B believing that the first implementation concern identified by the proposer of Consultation Alternative Amendment A was a valid concern which needs to be addressed. National Grid believed it is appropriate for Users to have a reasonable amount of time to respond to an instruction to disarm similar to the obligation upon National Grid to inform Users when the system should be disarmed.

- 3.12 Consequently Consultation Alternative Amendment B is the original Proposed Amendment and the first element of Consultation Amendment A, as discussed above.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

Original Amendment

- 4.1 CAP124 would in the view of National Grid better facilitate CUSC Objective; *(a) The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence* compared against the current CUSC baseline but to a lesser extent than Consultation Alternative Amendment B.
- 4.2 It would do this by providing clarity for both National Grid and Generators in terms of when payments will or will not be withheld and ensuring current foreseeable events for the withholding of payments for Operational Intertrips are stated within the CUSC.

Consultation Alternative Amendment A

- 4.3.1 CAP124 Consultation Alternative Amendment A in the view of E.ON UK plc would better facilitate the CUSC Objective *(a) (the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence)* and is better than the original Amendment Proposal, as it address the two practical implementation issues identified in the original. Firstly, to provide an obligation on Generators to respond as soon as reasonably practicable to an instruction to disarm and secondly to delete unnecessary legal text relating to a deemed instruction to disarm when the Intertrip is fired.

Consultation Alternative Amendment B

- 4.4 In the view of National Grid CAP124 Consultation Alternative Amendment B would better facilitate the CUSC Objective *(a) (the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence)* and would do so to a greater extent than the original Amendment Proposal and Consultation Alternative Amendment A.
- 4.5 It would clarify when payments will or will not be withheld and ensuring current foreseeable events for the withholding of payments for Operational Intertrips are stated within the CUSC. It also ensures there is a reciprocal obligation on both parties to act as soon as reasonably practicable.

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid proposes CAP124 or any of the alternatives should be implemented 10 business days after an Authority decision. In accordance with paragraph 8.19.3(b) of the CUSC, views were invited on this proposed implementation date.
- 5.2 No respondents to the CAP124 consultation or the second consultation expressed a view on the proposed implementation date. There is, therefore, no disparity between the view of the Industry and that of National Grid.

6.0 IMPACT ON THE CUSC

Proposed Amendment

- 6.1 CAP124 requires amendments to CUSC 4.2A.5 of Section 4 – Balancing Services. The text required to give effect to the Proposal is contained in Annex 1 of this document.

Consultation Alternative Amendment A

- 6.2 CAP124 Consultation Alternative Amendment A requires amendments to Sections 4.2A.2.1 (e), 4.2A.2.2 (d) and 4.2A.5 of the CUSC and the text required to give effect to the Consultation Alternative is contained in Annex 1 of this document.

Consultation Alternative Amendment B

- 6.3 CAP124 Consultation Alternative Amendment B requires amendments to Sections 4.2A.2.1 (e) and 4.2A.5 of the CUSC and the text required to give effect to the Consultation Alternative is contained in Annex 1 of this document.

7.0 IMPACT ON CUSC PARTIES

- 7.1 CAP124 original Amendment and both Consultation Alternative Amendments have no impact upon CUSC parties as they are all straightforward amendments to ensure current foreseeable events for withholding payments for Operational Intertrips are included with the CUSC.

8.0 IMPACT ON INDUSTRY DOCUMENTS, COMPUTER SYSTEMS OR PROCESSES

- 8.1 CAP124 original Amendment and both Consultation Alternative Amendments have no impact upon Core Industry Documents or Industry Computer Systems/Processes as they are all straightforward amendments to ensure foreseeable events for withholding payments for Operational Intertrips are included with the CUSC.

9.0 VIEWS AND REPRESENTATIONS

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

Views of Panel Members

- 9.2 No views or representations were made by Panel Members in their capacity as Panel Members

View of Core Industry Document Owners

- 9.3 No views or representations were made by Core Industry Document Owners

Responses to Consultation

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

Reference	Company	Supportive	Comments
CAP124 -CR-01	EDF Energy	Supportive	EDF Energy supported CAP124 and believed the system operator should not have to make payments for any trip caused by a generator failing to disarm and would better facilitate CUSC Applicable Objective A.
CAP124 -CR-02	E.ON UK plc	Not Supportive	Consultation Alternative A was raised by E.ON plc, see section 3 for full details
CAP124 -CR-03	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.	Supportive	SAIC Ltd supported CAP124 and believed the amendment would ensure a generator does not benefit from their mistake in failing to follow an instruction to disarm.
	Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.	Supportive	Scottish and Southern Energy plc supported CAP124 and believed the proposal does better facilitate the achievement of the Applicable CUSC Objectives, and in particular (a), when compared to the existing baseline version of the CUSC.

Responses to the Consultation Alternative Amendment Consultation

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

Reference	Company	Supportive	Comments
CAP124 -CAAR-01	EDF Energy	Supports Alternative Amendment B	EDF Energy believe Alternative Amendment B better facilitates the CUSC Applicable Objectives than A. However, they believed Consultation Alternative B could be improved if a specified time was included for Generators to respond to an instruction to disarm, say 30 minutes as “ as soon as reasonably practicable” is ambiguous.
CAP124 -CAAR-02	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.	Supports Alternative Amendment B	SAIC Ltd believe Alternative B better clarifies the circumstances under which Intertrip payments are made.
CAP124 -CAAR-03	Centrica Energy	Supports Alternative Amendment B	Centrica Energy believe that Alternative Amendment B is both better than the original and Alternative Amendment A. It would better facilitate CUSC Applicable Objective A by improving clarity around the process for making payments under the System to Intertripping Scheme.

10.0 AMENDMENT PANEL RECOMMENDATION

10.1

11.0 NATIONAL GRID RECOMMENDATION

- 11.1 National Grid believes CAP124 Consultation Alternative B would ensure the withholding payment provisions for Operational Intertrips cover all current foreseeable events, is clear for both National Grid and Generators and that the obligation to act as soon as reasonably practicable is applicable to both parties. Therefore, this would better achieve CUSC Applicable Objective (a) than the original and Consultation Alternative Amendment A. Consequently Consultation Alternative Amendment B builds upon the intention of the original proposal and incorporates the best elements of Consultation Alternative Amendment A.

- 11.2 National Grid believes the original Amendment compared against the current CUSC baseline represents an improvement, however to a lesser extent than Consultation Alternative B.
- 11.3 National Grid does not believe that the Consultation Alternative Amendment A would better facilitate the applicable CUSC objectives due to the second element of the proposal for the following reasons.
- 11.4 The CUSC 4.2A2.2(d) provides two ways in which an Intertrip can be disarmed, firstly via an instruction to disarm issued by National Grid and secondly due to deemed instruction when the Intertrip has been fired due to a signal to the Users Circuit Breakers.
- 11.5 The bracketed section of CUSC 4.2A2.2(d) states when an armed Intertrip has tripped upon the receipt of a signal sent by National Grid in accordance with the System to Intertripping Scheme, that signal will be deemed to be an instruction to disarm. This means once the Intertrip has tripped the provisions of CUSC 4.2A will apply and any relevant payments would be made (i.e. Category 2 and 4) to the User and the Intertrip will be deemed to be disarmed. After the trip, if National Grid still required the Intertrip to be operational and armed, National Grid is required to notify the Generator to arm in accordance with CUSC 4.2A2.2, therefore re-commencing the System to Intertripping Scheme and ensuring any relevant payments can be made to Users, if the Intertrip is subsequently fired.
- 11.6 CAP124 only applies when National Grid sends an actual signal to disarm and not a deemed instruction to disarm when the Intertrip has been fired.
- 11.7 With regard to EDF Energy's comments that "as soon as reasonably practicable" is ambiguous and it would be more appropriate to specify a time, such as a period of 30 minutes. National Grid believes it is not possible to specify an exact time for a Generator to respond to an instruction to disarm within the CUSC as each system is different, is designed in a different way and the time required to respond will vary. For example, older systems may require an engineer to visit the site to remove the breaker which could take longer than 30 minutes. Therefore, "as soon as reasonably practicable" is not ambiguous and provides a solution that takes in account design differences.

12.0 COMMENTS ON DRAFT AMENDMENT REPORT

- 12.1 National Grid received no responses following the publication of the draft Amendment Report. The following table provides an overview of each representation.

ANNEX 1 - PROPOSED LEGAL TEXT TO MODIFY THE CUSC

Original Amendment

The proposed Legal text to modify the CUSC is detailed below by inserting the coloured underlined text and deleting the text shown struck through.

CUSC Section 4 – Balancing Services, 4.2A.5

4.2A.5 Withholding of payments

The Company shall not be obliged to make any **Restricted Export Level Payment** or **Intertrip Payment** pursuant to Paragraph 4.2A.4 where the tripping of **BM Unit(s)** or (where relevant) **Generating Unit(s)** comprised in a **BM Unit** occurs:-

- (a) during any period where the **System to Generator Operational Intertripping Scheme** is not instructed by **The Company** to be armed in accordance with Paragraphs 4.2A.2.2(a) and 4.2A.2.2(d); and/or
- (b) where the **User** has failed to arm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(b); and/or
- (c) where the **User** has failed to disarm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(e); and/or
- ~~(e)~~(d) where the **User** has failed to exercise **Good Industry Practice** to restrict the export of **Active Power** from the **Connection Site** to the **Restricted MW Export Level** as required by Paragraph 4.2A.2.1(c) (ignoring any export above **Restricted MW Export Level** where pursuant to an instruction from **The Company** to provide any **Balancing Service(s)**); and/or
- ~~(d)~~(e) where no signal is received by the **User's Circuit Breaker(s)** from the **System to Generator Operational Intertripping Scheme**

Consultation Alternative Amendment A

The proposed Legal text to modify the CUSC is detailed below by inserting the coloured underlined text and deleting the text shown struck through.

CUSC Section 4 – Balancing Services:

1. *CUSC 4.2A2.1*

- (e) disarm the **System to Generator Operational Intertripping Scheme** when instructed by **The Company** (in accordance with **Grid Code BC2.8**) by telephone as soon as reasonably practicable (such instruction to be confirmed by facsimile substantially in the form set out in Schedule 3, Part I to this Section 4).

2. *CUSC 4.2A.2.2*

- (d) issue an instruction to disarm, referred to in Paragraph 4.2A.2.1(e), as soon as reasonably practicable following The Company becoming aware that the requirement for arming of the System to Generator Operational Intertripping Scheme has ceased ~~(and such an instruction shall be deemed to have been issued for the purposes of this Paragraph 4.2A upon tripping of the User's Circuit Breaker(s) upon receipt of a signal from the System to Generator Operational Intertripping Scheme).~~

3. *CUSC 4.2A.5 Withholding of payments*

The Company shall not be obliged to make any **Restricted Export Level Payment** or **Intertrip Payment** pursuant to Paragraph 4.2A.4 where the tripping of **BM Unit(s)** or (where relevant) **Generating Unit(s)** comprised in a **BM Unit** occurs:-

- (a) during any period where the **System to Generator Operational Intertripping Scheme** is not instructed by **The Company** to be armed in accordance with Paragraphs 4.2A.2.2(a) and 4.2A.2.2(d); and/or
- (b) where the **User** has failed to arm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(b); and/or
- (c) where the **User** has failed to disarm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(e); and/or
- ~~(e)(d)~~ where the **User** has failed to exercise Good Industry Practice to restrict the export of Active Power from the Connection Site to the Restricted MW Export Level as required by Paragraph 4.2A.2.1(c) (ignoring any export above Restricted MW Export Level where pursuant to an instruction from The Company to provide any Balancing Service(s)); and/or
- ~~(d)(e)~~ where no signal is received by the **User's Circuit Breaker(s)** from the System to Generator Operational Intertripping Scheme

Consultation Alternative Amendment B

The proposed Legal text to modify the CUSC is detailed below by inserting the coloured underlined text and deleting the text shown struck through.

CUSC Section 4 – Balancing Services:

1. CUSC 4.2A2.1

- (e) disarm the **System to Generator Operational Intertripping Scheme** when instructed by **The Company** (in accordance with **Grid Code BC2.8**) by telephone as soon as reasonably practicable (such instruction to be confirmed by facsimile substantially in the form set out in Schedule 3, Part I to this Section 4).

2. CUSC 4.2A.5 *Withholding of payments*

The Company shall not be obliged to make any **Restricted Export Level Payment** or **Intertrip Payment** pursuant to Paragraph 4.2A.4 where the tripping of **BM Unit(s)** or (where relevant) **Generating Unit(s)** comprised in a **BM Unit** occurs:-

- (a) during any period where the **System to Generator Operational Intertripping Scheme** is not instructed by **The Company** to be armed in accordance with Paragraphs 4.2A.2.2(a) and 4.2A.2.2(d); and/or
- (b) where the **User** has failed to arm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(b); and/or
- (c) where the **User** has failed to disarm the **System to Generator Operational Intertripping Scheme** in accordance with the terms of Paragraph 4.2A.2.1(e); and/or
- ~~(e)(d)~~ where the **User** has failed to exercise Good Industry Practice to restrict the export of Active Power from the Connection Site to the Restricted MW Export Level as required by Paragraph 4.2A.2.1(c) (ignoring any export above Restricted MW Export Level where pursuant to an instruction from The Company to provide any Balancing Service(s)); and/or
- ~~(d)(e)~~ where no signal is received by the **User's** Circuit Breaker(s) from the System to Generator Operational Intertripping Scheme

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP:124
<i>Title of Amendment Proposal:</i>	
Clarification of the withholding of payments for Operational Intertrips	
<i>Description of the Proposed Amendment (mandatory by proposer):</i>	
<p>It is proposed to change section 4.2A.5 to include an additional provision expanding upon the current clauses to clarify that a Restricted Export Level Payment or Intertrip Payment will be withheld should the Intertrip operate when a User has failed to disarm the System to Generator Operational Intertripping Scheme in accordance with an instruction from National Grid.</p>	
<i>Description of Issue or Defect that Proposed Amendment seeks to Address (mandatory by proposer):</i>	
<p>CAP076 introduced four new categories of System to Generator Operational Intertrip into the CUSC. Categories 2 and 4 both carry a payment rate of £400,000 per Generating Unit per trip when the Intertrip is fired. The Intertrip Payment aims to cover a number of costs, such as wear-and-tear arising from the trip and start up fuel costs to bring the generator back onto the system.</p> <p>The Generator may also be paid a Restricted Export Level Payment, identical to certain payment provisions introduced by CAP048 – Firm Access and Temporary Disconnection – if the Generator is disconnected from the system for a period greater than 24 hours. This payment is a rebate of TNUoS based on actual or an average TNUoS fee across the country for the period of the disconnection.</p> <p>The CUSC 4.2A.5 highlights circumstance when National Grid is not obliged to make an Intertrip Payment or a Restricted Export Level Payment.</p> <p>However, there is a gap within the provision in relation to withholding a payment when a Generator has failed to disarm in accordance with an instruction from National Grid. Therefore if a Generator has failed to disarm an Intertrip as instructed and National Grid's equipment sends an erroneous signal to the Circuit Breaker which then Intertrips, the Generator should not receive an Intertrip Payment or Restricted Export Level Payment, as the Intertrip should not have been armed.</p> <p>The probability of this event occurring is small but the proposed amendment ensures the withholding payment provisions within the CUSC are complete and cover all foreseeable events.</p>	
Impact on the CUSC <i>(this should be given where possible):</i>	
<p>CUSC Section 4 – Balancing Services, 4.2A.5 by the inserting the coloured underline text and deleting the coloured</p> <p>4.2A.5 Withholding of payments</p> <p>The Company shall not be obliged to make any Restricted Export Level Payment or Intertrip Payment pursuant to Paragraph 4.2A.4 where the tripping of BM Unit(s) or (where relevant) Generating Unit(s) comprised in a BM Unit occurs:-</p> <p>(a) during any period where the System to Generator Operational Intertripping Scheme is not instructed by The Company to be armed in accordance with Paragraphs 4.2A.2.2(a) and 4.2A.2.2(d); and/or</p> <p>(b) where the User has failed to arm the System to Generator Operational Intertripping Scheme in accordance with the terms of Paragraph 4.2A.2.1(b); and/or</p> <p><u>(c) where the User has failed to disarm the System to Generator Operational Intertripping Scheme in accordance with the terms of Paragraph 4.2A.2.2(a); and/or</u></p> <p>(c)(d) where the User has failed to exercise Good Industry Practice to restrict the export of Active Power from the Connection Site to the Restricted MW Export Level as required by Paragraph 4.2A.2.1(c) (ignoring any export above Restricted MW Export Level where pursuant to an instruction from The Company to provide any Balancing Service(s)); and/or</p> <p>(d)(e) where no signal is received by the User's Circuit Breaker(s) from the System to Generator Operational Intertripping Scheme.</p>	
Impact on Core Industry Documentation <i>(this should be given where possible):</i>	
None anticipated	
Impact on Computer Systems and Processes used by CUSC Parties <i>(this should be given where possible):</i>	
N/A	
Details of any Related Modifications to Other Industry Codes <i>(where known):</i>	
N/A	

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

National Grid believes that this proposal will better facilitate CUSC Applicable Objective (a) (The efficient discharge by the licensee of the obligations imposed upon it under the Act and by the Transmission Licence) **by providing clarity for both National Grid and Generators in terms of when payments will or will not be withheld and ensuring all foreseeable events for the withholding of payments for Operational Intertrips are stated within the CUSC.**

Details of Proposer: Organisation's Name:	National Grid
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:	Emma Carr National Grid 01926 655843 Emma.j.carr@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Mark Duffield National Grid 01926 654971 mark.duffield@uk.ngrid.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment:	No

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:

Beverley Viney
Panel Secretary
Commercial Frameworks
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: beverley.viney@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.

ANNEX 3 – REPRESENTATIONS RECEIVED DURING CONSULTATION

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 23rd May 2006, requesting comments by close of business on 20th June 2006).

Representations were received from the following parties:

No.	Company	File No.
1	EDF Energy	CAP124- CR-01
2	E.ON UK plc	CAP124- CR-02
3	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.	CAP124- CR-03
4	Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.	CAP124- CR-04

EDF Energy

CAP124- CR-01

Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid [National Grid House]
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA



07 June 2006

Dear Beverley,

CUSC amendment proposal CAP124: Clarification of the withholding of payments for operational intertrips

EDF Energy is pleased to have the opportunity to comment on the CUSC amendment proposal, CAP124.

We note National Grid's observation that existing clauses in section 4.2A.5 did not clearly state that a Restricted Export Level Payment or Intertrip Payment may be withheld should the Intertrip operate when a user has failed to disarm (the System to Generator Operational Intertripping Scheme) in accordance with an instruction from National Grid.

We agree that the system operator has no way to remotely arm or disarm Intertrips and as such the onus must be placed on the generator rather than the system operator. We therefore consider that the system operator should not have to make payments for any trip caused by a generator failing to disarm.
EDF Energy therefore agree the change would clarify both generator responsibilities and situations whereby payments would not be made, thus better facilitating CUSC Objective (a) of efficient discharge by the licensee of the objectives imposed by the act and the transmission licence.

We hope that you will find these comments helpful.

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

Yours sincerely,

David Scott
Analyst, Energy Market Strategy

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2	E.ON UK plc	CAP124- CR-02
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Beverly Viney
Amendments Panel Secretary, Electricity Codes
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
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E.ON UK plc
Westwood Way
Westwood Business Park
Coventry
CV4 8LG
eon-uk.com

Paul Jones
024 7642 4829
paul.jones@eon-uk.com

16 June, 2006

Dear Beverley,

CAP124 – Clarification of the withholding of payments for Operational Intertrips

Thank you for the opportunity to respond to the above amendment consultation. Whilst we agree with the intent of the amendment, we have a number of concerns about its practical implementation and cannot support it in its present form.

We have no issue with what the proposal is attempting to do. If National Grid has instructed a User to disarm an intertrip and it has failed to do so in a suitable length of time, then it is only reasonable that the User should not be recompensed should the intertrip interrupt its generator as a consequence of a transmission system fault in the intervening time. However, two practical implementation issues arise. Both of these can and should be addressed as part of the final solution for CAP124.

We note from the consultation that an issue has arisen regarding what should be considered a reasonable amount of time for a User to respond to a request to disarm an intertrip. In the document reference is made to CUSC 4.2A.2.2(d) saying that it states that a generator should respond to an instruction from National Grid “as soon as reasonably practicable”. However, this clause actually refers to an obligation on National Grid, not the generator. The relevant obligation on the generator is contained in CUSC 4.2A.2.1(e) which states that the User agrees to:

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Westwood Way
Westwood Business Park
Coventry CV4 8LG

*“disarm the **System to Generator Operational Intertripping Scheme** when instructed by **The Company** (in accordance with **Grid Code BC2.8**) by telephone (such instruction to be confirmed by facsimile substantially in the form set out in Schedule 3, Part I to this Section 4).”*

Therefore, the obligation appears to be to disarm with immediate effect following the instruction. We believe that the drafting should be changed to include a reasonable timescale for the generator to act. This is important if removal of payment as suggested by CAP124 is to be introduced.

Whilst inspecting CUSC 4.2A.2.2(d), another more fundamental issue with the proposed drafting has arisen. This clause states that National Grid agrees to:

*“issue an instruction to disarm, referred to in Paragraph 4.2A.2.1(e), as soon as reasonably practicable following **The Company** becoming aware that the requirement for arming of the **System to Generator Operational Intertripping Scheme** has ceased (and such an instruction shall be deemed to have been issued for the purposes of this Paragraph 4.2A upon tripping of the **User’s Circuit Breaker(s)** upon receipt of a signal from the **System to Generator Operational Intertripping Scheme**).”*

The text in brackets is the cause of the issue with CAP124. This states that an instruction to disarm the scheme will be deemed to have been made whenever the intertrip actually trips. Firstly, it is not clear why this wording is necessary. Is it the intention that every time a circuit breaker trips the entire scheme has to be disarmed? Secondly, if an instruction is deemed to have been issued whenever a breaker trips then this implies that the provisions of CAP124 apply to all trips. Alternatively, it may be that CAP124 applies only where the generator has failed to disarm the scheme following the deemed instruction to disarm. However, this would still mean that generators could be refused payments for trips which occurred as a result of the scheme being legitimately armed.

In the absence of a strong reason to retain the bracketed text in CUSC 4.2A.2.2(d) the easiest solution would be to remove it.

Yours sincerely

Paul Jones
Trading Arrangements

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.	CAP124- CR-03
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Beverly Viney
 Amendments Panel Secretary
 Electricity Codes
 National Grid
 National Grid House
 Warwick Technology Park
 Gallows Hill
 Warwick
 CV34 6DA

Ref CAP124
Date 19th June 2006

Tel No. 01355 845208
Email: ukelectricityspoc@saic.com

Dear Beverley,

CUSC Amendment Proposal CAP124, Clarification of the withholding of payments for Operational Intertrips

Thank you for the opportunity to comment on the Consultation for CUSC Amendment Proposal CAP124 regarding the Clarification of the withholding of payments for Operational Intertrips. 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 reviewing this Proposal, we have noted that this change will ensure that a generator does not benefit from their mistake in failing to follow an instruction to disarm an intertrip, and that intertrip then being fired inadvertently. As such, we support this change.

Yours sincerely

Gary Henderson

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.

Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.	CAP124- CR-04
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From: Garth.Graham@scottish-southern.co.uk [mailto:Garth.Graham@scottish-southern.co.uk]

Sent: Tuesday, June 20, 2006 3:08 PM

To: Carr, Emma J

Cc: Viney, Beverley

Subject: Re: CAP107 and CAP124 Consultation Documents

Dear Sirs,

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., SSE Generation Limited. and SSE Energy Supply Ltd.

In relation to the consultation concerning the report associated with CUSC Amendment Proposal CAP124 "Clarification of the withholding of payments for Operational Intertrips" (contained within your note of 23rd May 2005), we have the following comments to make.

We are mindful that the circumstances envisaged by this proposed amendment (an erroneous signal being issued after a Generator has failed to disarm the intertrip following an instruction from National Grid) is likely to be extremely remote.

We are also aware that the principle of CAP124 (to withhold the 'CAP076' payments) seems pragmatic and sensible.

We therefore conclude that the CAP 124 proposal does better facilitate the achievement of the Applicable CUSC Objectives, and in particular (a), when compared to the existing baseline version of the CUSC.

Yours Faithfully,

Garth Graham
Scottish and Southern Energy plc

This Annex includes copies of any representations received following circulation of the Consultation Document (circulated on 27th June 2006, requesting comments by close of business on 11th July 2006).

Representations were received from the following parties:

No.	Company	File No.
1	EDF Energy	CAP124- CAAR-01
2	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.	CAP124- CAAR-02
3	Centrica Energy	CAP124- CAAR-03

EDF Energy

CAP124- CAAR-01

Beverley Viney
Amendments Panel Secretary
Electricity Codes
National Grid [National Grid House]
Warwick Technology Park
Gallows Hill, Warwick
CV34 6DA



10 July 2006

Dear Beverley,

CUSC alternative amendment proposal CAP124: Clarification of the withholding of payments for operational intertrips

EDF Energy is pleased to have the opportunity to comment on the CUSC alternative amendment proposal, CAP124.

We agree that the original amendment proposal is better than existing arrangements

We note National Grid's observation that existing clauses in section 4.2A.5 did not clearly state that a Restricted Export Level Payment or Intertrip Payment may be withheld should the Intertrip operate when a user has failed to disarm (the System to Generator Operational Intertripping Scheme) in accordance with an instruction from National Grid.

We agree that the system operator has no way to remotely arm or disarm Intertrips and as such the onus must be placed on the generator rather than the system operator. We therefore consider that the system operator should not have to make payments for any trip caused by a generator failing to disarm.

EDF Energy therefore agree the insertion of text into section (c) of 4.2A.5 (Withholding of payments) would clarify both generator responsibilities and situations whereby payments would not be made, thus better facilitating CUSC Objective (a) of efficient discharge by the licensee of the objectives imposed by the act and the transmission licence.

Alternative amendments are better than the original proposal

We agree that both alternative amendments, A and B, are superior to the original proposed amendment. This is because the System to Generator Operational Intertripping scheme is operated by telephone and confirmed by facsimile, so CUSC section 4.2A.2.1 can be improved by the insertion of text that provides the generator a time period within which they will be paid if incorrectly tripped off by an erroneous signal from the system operator. We have a minor comment in that "as soon as reasonably practicable" is ambiguous and that it might be more appropriate to cite a time period from the notification to disarm (or being tripped off). EDF Energy would suggest that a period of 30 minutes after the receipt of

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facsimile *would represent a generous interpretation of "reasonable" regarding the amount of time for a generator to disarm.*

Alternative amendment B is superior to A

Our rationale for believing that alternative B is better than A is that when an armed intertrip has tripped upon the receipt of a signal, (sent by the system operator in accordance with the System to Intertripping scheme), that signal should be deemed to be an instruction to disarm.

We consider that it is logical that any generator that has been tripped off should also be disarmed and should remain so until notified to arm by the system operator.

On this basis we believe that both alternative amendments, A and B, better facilitate the CUSC Objectives to a greater degree than the initial proposal; however we believe that alternative amendment B does so to an even greater extent than A.

We hope that you will find these comments helpful.

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

Yours sincerely,

David Scott
Analyst, Energy Market Strategy

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.	CAP124- CAAR-02
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Beverly Viney
 Amendments Panel Secretary
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 Warwick
 CV34 6DA

Ref CAP124 Alternative
Date 3rd July 2006

Tel No. 01355 845208
 Email: ukelectricityspoc@saic.com

Dear Beverley,

CUSC Alternative Amendment Proposal CAP124, Clarification of the withholding of payments for Operational Intertrips

Thank you for the opportunity to comment on the Consultation for CUSC Alternative Amendment Proposal CAP124 regarding the Clarification of the withholding of payments for Operational Intertrips. 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 reviewing these Alternative Proposals, we have noted that Alternative B better clarifies the circumstances under which intertrip payments are made. As such, we support this change.

Yours sincerely

Gary Henderson

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.

Centrica Energy

CAP124- CAAR-03



Beverley Viney
Amendments Panel Secretary
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Fax (01753) 431150
www.centrica.com

Our Ref.
Your Ref.
11 July 2006

Dear Beverley,

CUSC Amendment Proposal P124 – Alternative Amendment Consultation

Centrica welcomes this opportunity to comment on this Alternative Amendment Proposal.

We would agree that the first part of Alternative Amendment A is an improvement on the original Proposal, as it addresses a practical operational issue in terms of implementation. We do not, however, believe that the removal of the bracketed section of CUSC 3.2A2.2(d) would be an improvement to CAP124. Once an Intertrip has been fired, a new instruction from National Grid is necessary to re-arm the tripping mechanism. Therefore it is reasonable to take the instruction to fire an Intertrip as a simultaneous instruction to disarm.

Centrica therefore believes that **Alternative Amendment B** is both better than the original Amendment Proposal CAP124, and better than the Alternative Amendment A. It would better facilitate CUSC Objective A by improving clarity around the process for making payments under the System to Intertripping Scheme.

If you have any queries in relation to this response, please do not hesitate to contact me.

Best regards,

Dave Wilkerson
Centrica Energy

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E: dave.wilkerson@centrica.co.uk

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