

## **BSSG Interconnector Frequency Response Working Group**

### **Draft Terms of Reference**

It was agreed at October 2009 CUSC Panel to establish a BSSG (Balancing Service Standing Group) Working Group. The Working Group would be tasked with reviewing the commercial mechanisms applicable to the provision of frequency response by future interconnectors, given the anticipated increase in the use of such technology.

#### **Objectives**

The Working Group will:

- i. examine the appropriateness and effectiveness of the existing CUSC obligations and commercial mechanism for frequency response for future interconnectors;
- ii. ensure that the transparency of any commercial mechanisms proposed are appropriate, in relation to the corporate ownership of the Interconnector Owner and the National Electricity Transmission System Operator;
- iii. consider and undertake the appropriate mechanisms by which to gain full industry engagement, including the potential use of consultations or workshops;
- iv. identify feasible options that will facilitate the provision of frequency response from future interconnectors, whilst ensuring that undue discrimination does not exist as compared to other providers of frequency response services.
- v. identify and quantify the advantages and disadvantages of each option;
- vi. identify all the impacts of each option on the CUSC, BSC, Licence Methodologies and any other associated documents within the framework;
- vii. agree and recommend a preferred option;
- viii. draft any text modifications necessary to implement the recommendation;
- ix. monitor the progress of the joint Grid Code/ BSSG Frequency Response Working Group and take into account any impacts arising from its recommendations.

#### **Governance**

The Working Group has been convened and will operate and be managed under the remit of the Balance Services Standing Group governance framework. The Working Group will be seeking approval from the BSSG to consequently submit its finding to the CUSC panel. The CUSC panel will be asked to approve the initiation of any code amendment proposals recommended.

#### **Membership**

The membership of the working group will be drawn from the BSSG, Elexon, the Authority and any relevant, potential interconnector developers.

#### **Deliverables**

The Working Group will produce a report outlining its analysis, findings and recommendations which will be submitted to the BSSG and CUSC Amendments Panel.

#### **Timescales**

The Working Group will aim to present its findings and recommendations to the May CUSC Panel and the equivalent meeting of the BSSG (held as and when appropriate).

The first of the future interconnectors, BridNed, is due to start commercial operations during the first financial quarter of 2011.