

CUSC Modification Proposal Form

CMP199

Title of the CUSC Modification Proposal: *(mandatory by Proposer)*
Reactive Despatch Network Restrictions

Submission Date *(mandatory by Proposer)*
18 August 2011

Description of the CUSC Modification Proposal *(mandatory by Proposer)*

This modification proposal is a consequential change from the Grid Code Modification E/11 (Reactive Despatch Network Restrictions) which introduces a new definition of a "Reactive Despatch to Zero MVAR Network Restriction" to allow National Grid to despatch such restricted generators providing they can provide zero MVAR.

This CUSC Modification Proposal aligns the CUSC with the Grid Code to allow payments to generators which have a reactive despatch restriction in place whereby they will be paid accordingly if have been despatched by National Grid.

Description of Issue or Defect that CUSC Modification Proposal seeks to Address: *(mandatory by Proposer)*

Currently the Grid Code definition for generator "Reactive Despatch Network Restriction" means that any generator that cannot meet the full reactive range is subject to a network restriction. This includes generators which cannot reach the extremities of the range, i.e. they may only be able to provide 90% of the specified range. As a consequence, National Grid cannot despatch such generators for reactive power, limiting the overall number of generators that can be despatched.

To address this issue, the Grid Code Modification E/11 proposed to allow the despatching of network restricted generators by adding in a new definition of a "Reactive Despatch to Zero MVAR Network Restriction" to include only those generators which cannot provide 0 MVAR. The consultation for E/11 was published on 11 July 2011 and closed on 08 August 2011 whereby 3 responses were received which were fully supportive of the modification.

Currently the CUSC prohibits any payments to generators which are deemed to have a Reactive Despatch Network Restriction in place. By aligning the CUSC with the new proposed Grid Code definition this will then allow payments to be made to generators which can provide zero MVAR even if they have a wider Reactive Despatch Network Restriction.

The key defect is that the CUSC definition for reactive despatch network restrictions will not align with the Grid Code definition if E/11 is implemented. This modification proposal does not discuss the merits of whether the despatching of restricted generators should be allowed as this is covered in the Grid Code Modification E/11.

For information the E/11 consultation can be found on the following link:

<http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/>

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

Changes are proposed to the following sections of the CUSC:

- Section 11 – Definitions
- Schedule 3 – Appendix 1
- Schedule 3 – Appendix 2

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes/No (assessed in accordance with Authority Guidance – see guidance notes for website link)
No

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information (this should be given where possible)

BSC

Grid Code

STC

Other
(please specify)

Urgency Recommended: Yes / No (optional by Proposer)
No

Justification for Urgency Recommendation (mandatory by Proposer if recommending progression as an Urgent Modification Proposal)

Self-Governance Recommended: Yes / No (mandatory by Proposer)
No

Justification for Self-Governance Recommendation (Mandatory by Proposer if recommending progression as Self-governance Modification Proposal)

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews? (Mandatory by Proposer in order to assist the Panel in deciding whether a Modification Proposal should undergo a SCR Suitability Assessment)
There is currently an SCR on electricity transmission charging under TransmiT which will focus on the options for potential changes to the TNUoS charging Arrangements.

This CUSC Modification Proposal does not relate to this scope of work under the SCR and so should be exempt.

Impact on Computer Systems and Processes used by CUSC Parties: (this should be given where possible)
None

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

Grid Code Modification E/11 has been raised which proposes to add a new definition of a Reactive Despatch to Zero MVA_r Network Restriction to include only those generators which cannot provide 0 MVA_r. The Modification will be sent to the Authority shortly for a decision. If E/11 is implemented this CUSC Modification Proposal aims to align the CUSC with the new definition of a reactive despatch network restriction from the Grid Code.

Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:
(mandatory by proposer)

Please tick the relevant boxes and provide justification:

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

Assuming that the Grid Code Modification E/11 will be implemented, this CUSC Modification will ensure that National Grid can facilitate payment for the despatching of network restricted generators. This will increase the pool of potential providers of reactive power and result in increased efficiency by the Company.

The proposal will also ensure appropriate remuneration through ensuring payment is made only in instances where access to the service is available for the purposes of Transmission system operation, whilst no payment is made when restrictions on instruction to 0 MVAR are in place. Thereby ensuring the system is operated and managed in the most economic and 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.

This modification will facilitate the payment to "restricted" generators for reactive power and therefore prevent discrimination to generators with a deemed restriction, thereby facilitating effective competition.

These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1

Details of Proposer: (Organisation Name)	National Grid Electricity Transmission Plc
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Steven Lam National Grid Electricity Transmission Plc 01926 653534 Steven.lam@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Alex Thomason National Grid Electricity Transmission Plc 01926 656379 Alex.thomason@uk.ngrid.com
Attachments (Yes/No): If Yes, Title and No. of pages of each Attachment:	
Annex 1 Proposed Legal Text to the CUSC	

Annex 1 - Proposed Legal text to the CUSC

CUSC SCHEDULE 3

APPENDIX 1

Obligatory Reactive Power Service – Default Payment Arrangements

Y = 1, except that Y shall be 0 in all **Settlement Periods** from and including that in which the **BM Unit** is affected by a **Reactive Despatch to Zero Mvar Network Restriction** until (and including) the **Settlement Period** in which notification is given to **The Company** pursuant to the **Grid Code** that such **Reactive Despatch to Zero Mvar Network Restriction** is no longer affecting that **BM Unit**

CUSC SCHEDULE 3

Appendix 2

Obligatory Reactive Power Service and Enhanced Reactive Power Services – Market Payment Mechanism

- (e) the **BM Unit** is affected by a **Reactive Despatch to Zero Mvar Network Restriction** until (and including) the **Settlement Period** in which notification is given to **The Company** pursuant to the **Grid Code** that such **Reactive Despatch to Zero Mvar Network Restriction** is no longer affecting that **BM Unit**

SECTION 11

“Reactive Despatch to Zero Mvar Network Restriction”

As defined in the **Grid Code**