

Connection and Use of System Code (CUSC)

Title of the CUSC Modification Proposal

Clarification of when Disconnection Compensation payments can be expected under a Relevant Interruption

Submission Date

18 September

Description of the Issue or Defect that the CUSC Modification Proposal seeks to address

The CUSC provides the ability for generators to claim compensation in the event of an issue on the National Electricity Transmission System (NETS) caused by the TO's plant or apparatus. The CUSC is clear that compensation should be paid where NG solely disconnects BMUs from the NETS system and doesn't differentiate whether these are import or export BMUs. However there have been several instances where NG has decided not to pay out. One of the reasons why claims have been rejected is because of the different interpretations of the CUSC where despite agreeing that the disconnection comprises a Relevant Interruption, National Grid may choose not pay out if it believes the export route was not affected, even though export BMUs were directly deenergised.

It is important that the CUSC is clear to ensure that arrangements are efficient and give confidence to connected parties. In most cases station supplies are connected to the same 400kv or 275kv "feeders" from the NETS as the generating output and therefore the distinction is not important. However, in a few cases they are supplied from different parts of the NETS so it is important that the arrangements are clear. The CUSC text in determining a Relevant Interruption does not currently distinguish whether the BMUs that have been disconnected are import or export BMUs. However we are aware that National Grid has made different decisions on separate occasions as to whether this situation is compensated.

This modification therefore proposes to further enhance the CUSC by clarifying beyond the avoidance of doubt that where stations supplies (import BMUs) are disconnected solely by National Grid plant or apparatus and the effect of this (whether directly or indirectly) is to lose the generating unit(s)' output then, firstly, this is a Relevant Interruption. Secondly that, under the CUSC, Interruption Payments can include situations where station supplies have been lost causing the loss of the generating units. i.e. for the avoidance of doubt such events not only are Relevant Interruptions but also qualify for Interruption Payments.

Description of the CUSC Modification Proposal

The CUSC describes the process and criteria necessary for claiming an Interruption Payment as a result of the deenergisation of BMUs. The CUSC is clear in that an unplanned deenergisation has to meet the definition of a Relevant Interruption which is basically an Interruption other than an Allowed Interruption. Once a Relevant Interruption has been agreed the CUSC moves to calculating the amount of compensation payable and it is at this stage that National Grid can decide that no compensation is due if it believes the export BMUs output were unaffected.

The proposer does not believe National Grid's interpretation is correct as the CUSC does not differentiate between BMUs, it states a Relevant Interruption is ...An Interruption is where "solely as a result of **Deenergisation of Plant and Apparatus** forming part of the **National Electricity Transmission System**;.....a **BM Unit** comprised in the **User's Equipment** of an **Affected User** (other than an **Interconnector Owner**) is **Deenergised**;

and that compensation will be paid to the affected units.

To make this clearer, this modification proposes two amendments:

1) a small change to make clear, and for the avoidance of doubt, that a BMU Unit in this instance can be "either an Export BMU or an Import BMU" as both can be deenergised and lead to an automatic station shut down and be considered a Relevant Interruption. A BMU Unit is not defined in this respect and can therefore be an Export BMU or an Import BMU as in practice and reality both can be directly affected by a failure of the NETS. This is more often than not the case where the generator and its station supplies are connected via the same part of the NETS. However, not all generators have supplies provided from the same part of the NETS and hence the potential discrepancy / lack of clarity.

This amendment reinforces that the loss of station supplies can be determined to be a Relevant Interruption.

2) Following acceptance of this, the CUSC moves to the Interruption Payment. This calculates the amount of "Affected MW" by the interruption by deducting from the Transmission Entry Capacity the sum of the Entry Capacity of the "unaffected BMUs". It is at this point that National Grid can decide whether the Export BMUs were affected.

"unaffected BMUs" is not defined in CUSC and therefore National Grid has discretion as to whether to reject paying compensation. The CUSC should therefore be made clear in the Interruption Payment section that Export BMUs would be considered "affected" where, as a reasonable and prudent operator, a generator has been interrupted as a direct result of the interruption of the station import BMUs by National Grid. National Grid could only reject compensation payment where they could justify what else a reasonable and prudent generator could have done in that situation to avoid being disconnected from the system.

Impact on the CUSC

As stated above the definition of BMUs would have to be included to define station import BMUs and Export BMUs.

Legal text will need to be developed but for illustration purposes the definition of Interruption could be changed as follows in bold:

where either:-

(i) solely as a result of Deenergisation of Plant and Apparatus forming part of the National Electricity Transmission System; or

(ii) in accordance with an Emergency Deenergisation Instruction;

a BM Unit comprised in the User's Equipment of an Affected User (other than an Interconnector Owner) is Deenergised; **for the avoidance of doubt a BM Unit deenergised as a result may be either an import or export BMU...**

Also the definition of Interruption Payment and in particular Affected MW would have to be changed to make it clear that "unaffected BMUs" can not include, for the avoidance of doubt, Export BMUs that were directly or indirectly deenergised following the failure of NG's plant or apparatus. Thus National Grid cannot deduct the sum of the Connection Entry Capacity for those export BMUs interrupted.

Legal text will need to be developed but for illustration purposes the text could be changed as below in bold.

Affected MW = the MW arrived at after deducting from the Transmission Entry Capacity for the Connection Site the sum of the Connection Entry Capacity of the unaffected BM Units at the Connection Site; **(for the avoidance of doubt Export BMUs output that was affected as a result of a generator being deenergised under a Relevant Interruption should be included and cannot be deducted in the calculation of compensation.**

Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes / No

No

Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information

BSC

Grid Code

STC

Other
(please specify)

This is an optional section. You should select any Codes or state Industry Documents which may be affected by this Proposal and, where possible, how they will be affected.

Urgency Recommended: Yes / No

No

Justification for Urgency Recommendation

Self-Governance Recommended: Yes / No

No. This change is likely to have material effects

Justification for Self-Governance Recommendation

Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews?

Yes. TransmiT and Electricity Cashout SCRs have concluded but in any case of out of scope.

Impact on Computer Systems and Processes used by CUSC Parties:

None identified at this stage.

Details of any Related Modification to Other Industry Codes

None

Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:

This section is mandatory. You should detail why this Proposal better facilitates the Applicable CUSC Objectives compared to the current baseline. Please note that one or more Objective must be justified.

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

- National Grid has a duty under its licence to develop, maintain and operate economic, reliable and efficient networks and fit for purpose framework agreements. By further clarifying the CUSC it will enable National Grid to better meet their obligations.
- This extra clarity and tightening up of the CUSC will also minimise NG's ability to potentially inadvertently discriminate in its assessment of which types of disconnections should receive compensation.

(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.

- It is important that the CUSC is clear to ensure that arrangements are efficient and give confidence to connected parties. At this time there is clearly ambiguity in these arrangements. This proposal seeks to reduce this ambiguity and by doing so will reduce uncertainties and unknown risks to generators. In turn this will further promote competition in generation.

(c) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.

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

Objective (c) was added in November 2011. This refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

Additional details

Details of Proposer: (Organisation Name)	EDF Energy
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:	John Costa EDF Energy 020 3126 2324 John.costa@edfenergy.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Paul Mott EDF Energy 020 3126 2314 Paul.mott@edfenergy.com

Attachments (No):

Contact Us

If you have any questions or need any advice on how to fill in this form please contact the Panel Secretary:

E-mail cusc.team@nationalgrid.com

Phone: 01926 653606

For examples of recent CUSC Modifications Proposals that have been raised please visit the National Grid Website at <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/Current/>

Submitting the Proposal

Once you have completed this form, please return to the Panel Secretary, either by email to jade.clarke@nationalgrid.com and copied to cusc.team@nationalgrid.com, or by post to:

Jade Clarke
CUSC Modifications Panel Secretary, TNS
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If no more information is required, we will contact you with a Modification Proposal number and the date 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, the Proposal can be rejected. You will be informed of the rejection and the Panel will discuss the issue at the next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform you.