

STRATEGY & CORPORATE AFFAIRS

CMP 236 Clarity of disconnection compensation

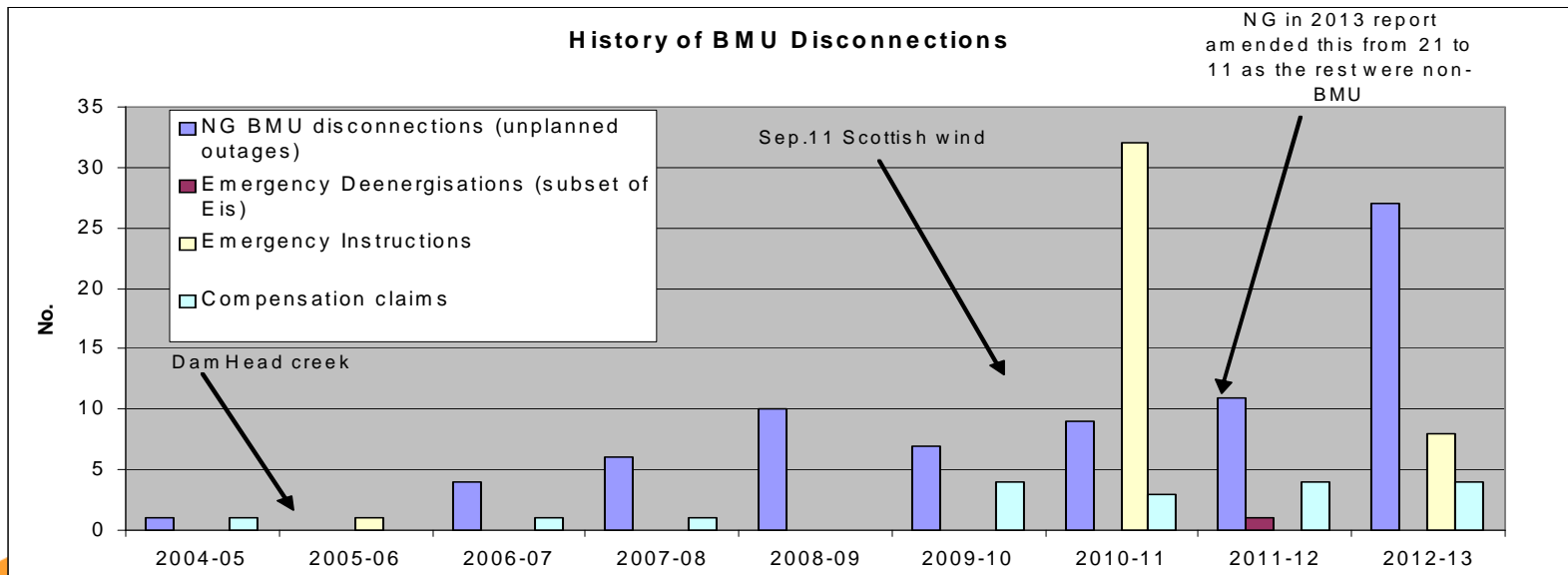
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Background

- CUSC lays out the criteria for claiming compensation in the event of being deenergised from the NETS
 - In principle where disconnection is beyond the control of generator due to condition of the Transmission System (NETS)
- While these instances are rare it is important that generator's have certainty in station supplies and exposure to market risk
- The number of disconnections has been low but an increasing trend



National Grid Data – yearly Balancing Principles Statement and CMP212 Reports



Overview

- CUSC lays out the criteria for claiming compensation in the event of being deenergised from the NETS
- Must meet Relevant Interruption (RI) criteria – “where a BMU is deenergised....solely by TOs plant or apparatus”.
 - CUSC does not distinguish between whether import or export BMUs were interrupted...just BMU
 - Once accepted as a RI, it then proceeds to the Interruption Payment where the amount to compensate for the “Affected MW” is calculated by
 - Deducting from TEC the Entry Capacity of the “unaffected BMUs”
 - In the case where only the import BMUs for a generator had been disconnected, and despite this tripping the generator, NG can decide that export BMUs were not “affected” particularly if the export route was still energised.
- Purpose is therefore two fold: where stations supplies are disconnected solely by TO plant or apparatus leading to deenergisation of generating units then this is a RI
 - and once a RI has been accepted compensation will be paid in respect of the lost export BMU output
- NG has paid out for interruption of station supplies before in this situation (see 2011 BSSG compensation review) so clarity is important



CMP236 proposal

- Amend definition of Interruption (suggested text)
 - where either: 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**
- And the Affected MW definition
 - 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)**
- To be clear the mod is not about increasing compensation time or payment



Benefits of CMP236 – Relevant Objectives

- Clarifying the CUSC will meet the following relevant objectives

Relevant Objective	Clarification of disconnection compensation
A) Transmission Licence and Electricity Act	<ul style="list-style-type: none">• Clarity should enable NG to run more efficient system/ commercial framework• Minimise NG's ability to discriminate under its licence
B) Competition	<ul style="list-style-type: none">• Reducing ambiguity will reduce generator uncertainty and risk promoting further competition
C) European Codes/ Third Package	

- Implementation – as soon as possible after being developed at a workgroup



Thank you

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