

STRATEGY & CORPORATE AFFAIRS

CMP 235 – New Relevant Interruption type for User Emergency Deenergisation as a result of NETS operating outside Licencee's statutory requirements

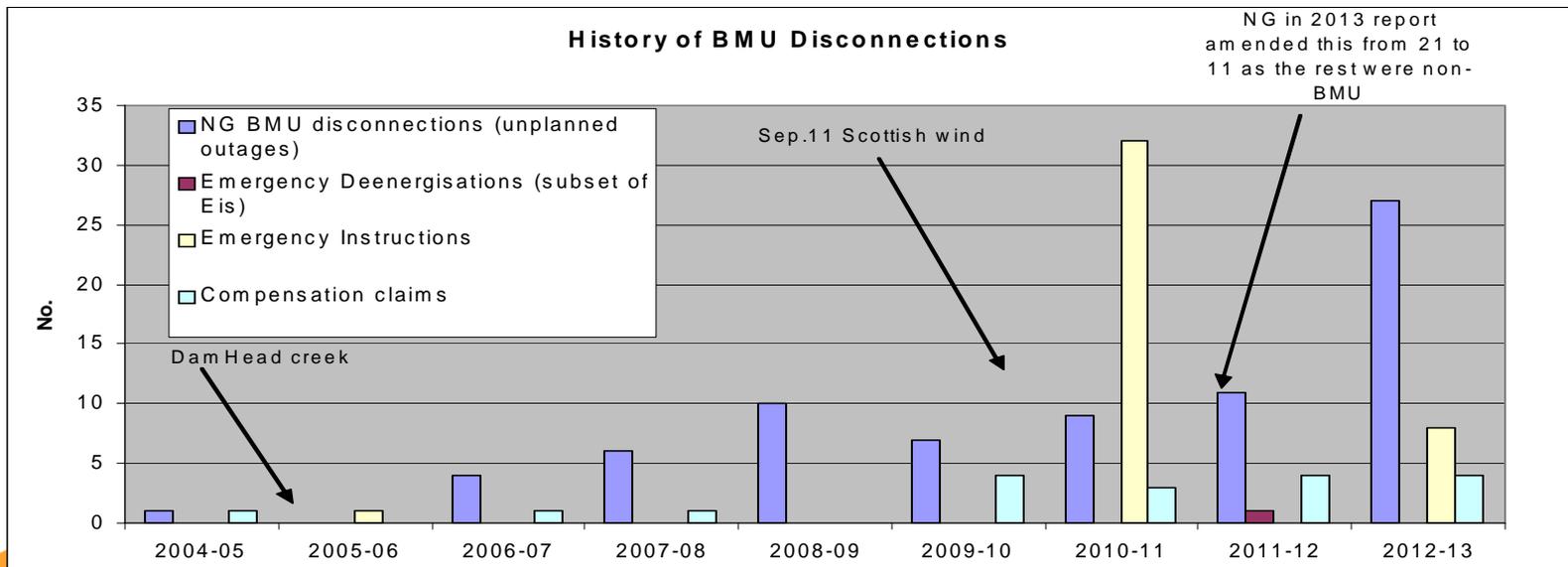
Friday 26 September 2014

John Costa, EDF Energy



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 the quality of 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



CUSC defect

- CUSC covers disconnections but does not cover quality of supply of the connection.
- CUSC allows NG to Emergency Instruct a generator off where the condition of the NETS or User's system poses "material damage to persons, User's or Total System" in return for compensation – i.e beyond a User's control
- The CUSC also allows a User to Emergency Deenergise (5.2.2) in similar circumstances where the condition of the NETS or other User's system poses damage to persons or User's system
 - This will be the case where it NETS supplies outside the licensee's statutory duties (E.g. Grid Code parameters) – i.e. beyond a User's control
- While the situation and purpose of having to disconnect is virtually the same NG will only pay if they give the instruction, however the consequence on generator is the same – deenergised beyond its control from the NETS operating outside agreed and acceptable parameters
- While these instances are rare we believe this is a CUSC defect and it is nonetheless important that User's are protected and compensation rights are fair and equitable.



CMP235 proposal

- Generators cannot operate their plant without access to stable and good quality transmission connection in line with the Grid Code parameters
- Proposal - where User has had to emergency disconnect as a result of a breach of these parameters this becomes a Relevant Interruption
- A new RI would be added to the definition of Interruption
- 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; or
 - ***(iii) in accordance with an Emergency Deenergisation by a User (under CUSC 5.2.2) as a result of a problem on the NETS or the Licensee not maintaining quality of transmission supply within Licence Conditions.***
- To be clear the mod is not about increasing compensation time or payment



Benefits of CMP235 – 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">• Reporting of these events will create Reputational incentive• Minimise NG's ability to discriminate under its licence
B) Competition	<ul style="list-style-type: none">• Compensating for these events will reduce generator's risk and market uncertainty• Incentive on NG should reduce disconnections
C) European Codes/ Third Package	

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



Thank you

Any questions please contact John Costa on
John.costa@edfenergy.com
Tel: 0777 1875857

