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Dear Industry Colleagues,

#### Confirmation of timeline of the 'CMP213 Judicial Review Period'

Last month we wrote to you setting out our intentions regarding the timeline for the 'CMP213 Judicial Review Period'. During this 20 business day window (inclusive) generation customers can give less notice to disconnect/reduce TEC than is generally required to avoid liability for a Cancellation Charge<sup>1</sup>.

The period for application for leave to appeal the judgment in relation to the judicial review of Ofgem's determination of CMP213 'Project TransmiT TNUoS Developments' has now expired. As a result we can now confirm the arrangements previously set out in our last letter. As such the 'CMP213 Judicial Review Period' will run between Friday 21st August 2015 and Friday 18th September 2015.

In response to recent queries on how National Grid deals with requests for changes to TEC we have included a short note, attached to provide some helpful guidance on this matter.

If you have any queries in relation to this letter please contact Paul Wakeley, Electricity Charging Development Manager on 01926 655582 (email: <a href="mailto:paul.wakeley@nationalgrid.com">paul.wakeley@nationalgrid.com</a>).

Yours sincerely,

Ivo Spreeuwenberg

**Electricity Customer Manager** 

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<sup>&</sup>lt;sup>1</sup> Full details can be found in paragraph 3.11 of section 15 of the CUSC; <a href="http://www2.nationalgrid.com/The-CUSC/The-Connection-and-Use-of-System-Code/Section-15---User-Commitment-Methodology---V1-5/">http://www2.nationalgrid.com/The-CUSC/The-Connection-and-Use-of-System-Code/Section-15---User-Commitment-Methodology---V1-5/</a>

# **Processing changes to Transmission Entry Capacity (TEC)**

## **Background**

Requests from generators for changes to their TEC have been more prevalent as a result of the annual EMR Capacity Market and Contract for Difference auctions. National Grid has received a number of enquiries on the process for reducing TEC and how any subsequent Modification Application for an increase in TEC for the same generation unit would be assessed. We therefore thought it would be useful to clarify this aspect of the CUSC and provide guidance to those looking to make changes to their TEC either within the 'CMP213 Judicial Review Period' (ref. CMP240) or in the future.

This note applies to existing connected generators who have TEC in order to provide clarification on:

- 1) CUSC provision for TEC reduction;
- 2) CUSC provision for TEC increase;
- 3) Modification applications and TEC reductions.

### 1) CUSC provision for TEC reduction

In the event that TEC is relinquished it is processed immediately and on the effective date requested. A TEC reduction overwrites any current contractual position in relation to TEC, including any Modification Applications to change TEC at a future point<sup>2</sup>. Connection agreements are updated and these are issued to the User to reflect the updated position. CUSC Section 6.30.1 outlines the process for TEC reductions. The industry is made aware of the TEC changes via the TEC Register<sup>3</sup>. The party reducing TEC may also be liable for a Cancellation Charge, depending on the amount of notice given, as set out in CUSC Section 15.

The timeline for a typical TEC reduction request is shown below, in Figure 1.

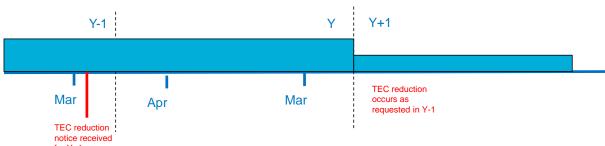


Figure 1 – Typical TEC reduction

<sup>&</sup>lt;sup>2</sup>. Overwriting of a Modification Application would not occur where an existing TEC reduction and Modification Application have already been processed and there is a request to reduce TEC from a point earlier than the existing effective date.

http://www2.nationalgrid.com/UK/Services/Electricity-connections/Industry-products/TEC-Register/

### 2) CUSC provision for TEC increase

TEC increases require a Modification Application to be made to National Grid. This application process can take up to 3 months in order to assess any associated network implications and produce a revised connection offer. During the Modification Application process the TEC held by the User is relative to the last contractual position (including the provisions of any TEC reduction, as set out below). The TEC increase does not come into effect until the User signs the Modification Offer. CUSC Section 6.30.2 outlines the process for TEC increases.

#### 3) Modification Applications and TEC reductions

Where a Modification Application is requested at the same time as a TEC reduction the TEC reduction will be processed immediately (and TEC Register updated), the application will be processed based on the revised TEC arising from the reduction request and it could take up to 3 months to subsequently provide a Modification Offer to increase TEC in future. There will therefore be a period until the Modification Offer is sent and signed where the User will not hold TEC beyond the effective date of the TEC reduction.

An example of how a TEC reduction and a Modification Application could interact is shown below in Figure 2. In the Modification Application process period the User does not hold TEC for Y+3 until the Modification Offer is signed. The offer made will be based on the prevailing connect and manage principles and will include any required enabling works to connect to the transmission system. All applications will follow the normal process and principles and the User requesting a modification to increase TEC will be placed behind other Users already waiting for associated enabling works to complete (where relevant) – this is equitable to all new or modification applications where increased TEC is requested.

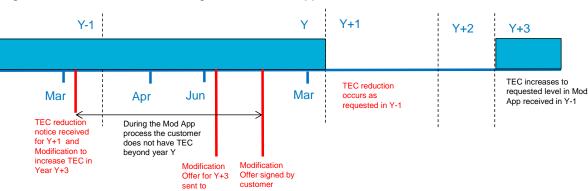


Figure 2 – TEC reduction including a Modification Application

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If you have any queries in relation to this guidance on TEC changes please contact Stewart Whyte, England and Wales Customer Manager on 07557 450385 (email: stewart.whyte@nationalgrid.com).