

Connection and Use of System Code (CUSC)

Title of the CUSC Modification Proposal

Interruption compensation in the absence of market suspension during a Partial Shutdown

Submission Date

19 September 2013

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

The 'Allowed Interruption' definition lists circumstances under which a User is excluded from the CUSC loss of transmission access provisions. Consequential to Balancing and Settlements Code (BSC) Modification P276, this modification will extend the CUSC compensation provisions to apply to affected generators where market operations continue concurrently with a Partial Shutdown.

P276 (to be implemented on 31st Mar 2014) introduces the concept of a Partial Shutdown under which normal electricity market operations continue to function. Prior to P276, a declaration (by National Grid) of a Partial Shutdown would initiate suspension of the Balancing Mechanism (BM) (and all contractual and credit positions), establishing a single imbalance price and the central dispatch of generation.

Under P276, normal market operations will only be suspended, and a Market Suspension Period will only exist, in the event of a Partial Shutdown if any of the criteria for the Market Suspension Threshold are met or deemed to be met. The criteria include: (1) National Grid determines that the cumulative impact of the Partial Shutdown is equal to or greater than the amount stated in the BSC (currently 5% of National Demand lost from the Transmission System); (2) National Grid no longer has sufficient pre-shutdown forecast data to accurately determine the amount of demand lost; or (3) 72 hours have elapsed since the Partial Shutdown was declared.

During a Partial Shutdown, parties which are dispatched through black start instructions issued by National Grid are eligible to claim black start compensation under the BSC. However, generators who lose access to the Transmission System through power loss will not be eligible for any compensation and if the market continues will be unable to take actions to correct their positions and will be subsequently exposed to imbalance against their contract volumes. Existing arrangements for loss of transmission access as a result of a system event are dealt with under CUSC Interruption Payments, from which interruptions due to Total or Partial Shutdown are currently excluded.

The majority of the P276 workgroup members recommended that the existing CUSC compensation provision should be extended to cover Settlement Periods during a Partial Shutdown where market operations continue. As such it is recommended that this progresses as a Standard Modification Proposal and proceeds straight to Code Administrator Consultation under CUSC governance procedures.

Description of the CUSC Modification Proposal

Prior to P276, due to market suspension, Users impacted by a Total or Partial Shutdown would be compensated through nullification of any contract positions and settlement of their generation volume at the single imbalance price. P276 enables the market to continue to operate during a Partial Shutdown providing that none of the criteria for market suspension are met, or deemed to have been met. Hence, for a Settlement Period during which a Partial Shutdown is invoked but there is no corresponding Market Suspension Period, a User who is subject to imbalance due to the Partial Shutdown will be exposed to dual imbalance prices and currently has no means of compensation.

The CUSC definition of an Allowed Interruption excludes any Partial Shutdown event from eligibility for compensation claims by a User who has lost access to the Transmission System. This modification proposes to amend the 'Allowed Interruption' definition and allow claims for loss of transmission access for Settlement Periods where a Partial Shutdown does not coincide with a Market Suspension Period.

Impact on the CUSC

The Section 11 definition of "Allowed Interruption", will need to be amended to specify that Partial Shutdowns are exempt from compensation provisions for periods of Interruption that coincide with a Market Suspension Period, as defined in the BSC, in accordance with the provisions stipulated in P276. For clarity, the term "Market Suspension Period" will be introduced into the definitions under Section 11 referencing the definition in the BSC.

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)

Urgency Recommended: Yes / No

No.

Justification for Urgency Recommendation

N/A

Self-Governance Recommended: Yes / No

No.

Justification for Self-Governance Recommendation

N/A

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

Yes.

Impact on Computer Systems and Processes used by CUSC Parties:

N/A

Details of any Related Modification to Other Industry Codes

Consequential to BSC Modification P276
Also consequential Grid Code Mod GC0044.

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

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

(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.

The modification will better facilitate applicable objective (b), as expansion of the definition for Interruption compensation claims, to allow for periods during Partial Shutdown where the market continues, ensures that Generators who lose access to the Transmission System are consistently and appropriately compensated for costs associated with their imbalance exposure.

(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.

Neutral.

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)	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:	Sally Lewis National Grid 01926 656 984 sally.lewis@nationalgrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Alex Haffner National Grid 01926 655 838 alex.haffner@nationalgrid.com
Attachments (Yes/No): Yes. 1 Page. Legal text.	

Section 11

“**Allowed Interruption**” shall mean an **Interruption** as a result of any of the following:

- a) an **Event** other than an **Event** on the **National Electricity Transmission System**;
- b) an event of **Force Majeure** pursuant to Paragraph 6.19 of the **CUSC**;
- c)
 - (i) a **Total Shutdown** ~~or Partial Shutdown~~
 - (ii) a **Partial Shutdown**, but only for any period of **Interruption** which coincides with a **Market Suspension Period**;
- d) action taken under the **Fuel Security Code**;
- e) **Disconnection** or **Deenergisation** by or at the request of **The Company** under Section 5 of the **CUSC**, except in the case of an **Emergency Deenergisation Instruction**;
- f) the result of a direction of the Authority or **Secretary of State**;
- g) tripping of the **User’s Circuit Breaker(s)** following receipt of a signal from a **System to Generator Operational Intertripping Scheme** which has been armed in accordance with Paragraph 4.2A.2.1(b).

or if provided for in a **Bilateral Agreement** with the affected **User**;

“**Market Suspension Period**” as defined in the **Balancing and Settlement Code**;