

Stage 02: Workgroup Consultation

Connection and Use of System Code (CUSC)

CMP235/CMP236 'Introduction of a new Relevant Interruption Type' and 'Clarification of when Disconnection Compensation payments can be expected under a Relevant Interruption'

What stage is this
document at?

01	Initial Written Assessment
02	Workgroup Consultation
03	Workgroup Report
04	Code Administrator Consultation
05	Draft CUSC Modification Report
06	Final CUSC Modification Report

This Proposal is an amalgamation of two CUSC Modification Proposals raised in September 2014.

CMP235 seeks to amend the description of an Interruption to add a type of Emergency Deenergisation (when a User has had to Emergency Deenergise as a result of the condition or manner of Transmission System operating outside of the Licensee's statutory requirements) as a Relevant Interruption.

CMP236 seeks to clarify that where station suppliers are disconnected solely by National Grid plant or apparatus and the effect of this is to lose the generating units' output, this is a Relevant Interruption and that under the CUSC, Interruption payments can include these situations.

This document contains the discussion of the Workgroup which formed in October 2014 to develop and assess the proposal. Any interested party is able to make a response in line with the guidance set out in Section 8 of this document.

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Medium Impact:

CUSC Parties, BSC Parties, National Grid Electricity
Transmission plc

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About this document

This document is a Workgroup consultation which seeks the views of CUSC and interested parties in relation to the issues raised by the Original CMP235/CMP236 CUSC Modification Proposals which were raised by EDF Energy and developed by the Workgroup. Parties are requested to respond by **5pm** on **23rd January 2015** to cusc.team@nationalgrid.com using the Workgroup Consultation Response Proforma which can be found on the following link:
<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP235-CMP236/>

Document Control

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0.1	27/11/2014	Code Administrator	Version for Workgroup comment
1.0	19/12/2014	Code Administrator	Version for Workgroup Consultation



Any Questions?

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1 Summary

- 1.1 This document describes the Original CMP235 and CMP236 CUSC Modification Proposals (the Proposal), summarises the deliberations of the Workgroup and the options for potential Workgroup Alternative CUSC Modifications (WACMs). Prior to confirming any alternative proposals the Workgroup are seeking views on the options they have identified, what is the best solution to the defect and also any other further options that respondents may propose.
- 1.2 CMP235 and CMP236 were proposed separately by EDF Energy and submitted to the CUSC Modifications Panel (the Panel) for their consideration on 26th September 2014. Copies of these two Proposals are provided in Annex 1 (CMP235) and Annex 2 (CMP236). The Panel decided to amalgamate these Proposals (ensuring that there would automatically be two Workgroup Alternative CUSC Modifications included within the Final Modification Report which gives the option to implement these two Modifications separately) and sent the Proposal to a Workgroup to be developed and assessed against the CUSC Applicable Objectives. The Workgroup is required to consult on the Proposal during this period to gain views from the wider industry (which is the purpose of this Workgroup Consultation). Following this Consultation, the Workgroup will consider any responses, vote on the best solution to the defect and report back to the Panel at the January 2015 Panel meeting.

The Workgroup first met on 30th October 2014. A copy of the Workgroup Terms of Reference is provided in Annex 3. The Workgroup have considered the issues raised by the CUSC Modification Proposals as part of their discussions, the Workgroup has noted that there are number of potential solutions to the defects CMP235/CMP236 seeks to address. These potential options for change are highlighted within the Workgroup Alternatives in Section 5 of this document.

- 1.3 The Proposal (CMP235) seeks to amend the description of an interruption to add a type of Emergency Deenergisation (when a User has had to Emergency Deenergise as a result of the condition or manner of the Transmission System operating outside of the Licensee's statutory requirements) as a Relevant Interruption. The Proposal (CMP236) also seeks to clarify that where station supplies are disconnected solely by National Grid plant or apparatus and the effect of this is to lose the generating unit's output, that this is a Relevant Interruption and that under the CUSC, Interruption payments can include these situations.
- 1.4 This Workgroup Consultation has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid Website, <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP235-CMP236/>, along with the Modification Proposal Form.

2 Background

- 2.1 The CUSC currently provides the ability for Generators to claim compensation in the event an issue on the National Electricity Transmission System (NETS), caused solely by the Transmission Owner's (TO) plant or apparatus, which disconnects the generating unit from the NETS. The System Operator can issue instructions to generators in order to prevent damage or injury to persons, equipment or the NETS in return for compensation (paid to the generator). The principle of payment is clear for these types of events, i.e. an event beyond the control of the generator and due to the NETS.
- 2.2 However, the CUSC is silent on situations where National Grid (as the System Operator (SO)) and/or TO(s) operate the NETS outside of licence conditions, e.g. outside of technical parameters set out in the Grid Code. In these instances it is possible for a generator to self-disconnect from the NETS to avoid being exposed to dangerous system conditions that risk material damage to their plant or injury to persons. In these circumstances, a generator is not 'disconnected' by receiving an instruction from the System Operator; rather it disconnects itself as it is receiving a connection that is outside the legal operational requirements of the SO.
- 2.3 The CUSC also states in Section 5.2.2 *'If, in the reasonable opinion of a **User**, the condition or manner of operation of the **National Electricity Transmission System**, the **Total System** or any other **User's System** poses an immediate threat of injury or material damage to any person or to its **User's Equipment** or equipment for which the **User** is responsible...that **User** shall have the right to **Deenergise** its **User's Equipment** or equipment for which that **User** is responsible...if it is necessary or expedient to do so to avoid the occurrence of such injury or damage'*.
- 2.4 Whilst these instances are very rare¹, the Proposer considers it a defect that the CUSC does not explicitly cover compensation for transmission services outside these standards as the effect on the Generator is the same as if they had been physically disconnected.
- 2.5 Under a related issue, the CUSC states that compensation should be paid where the SO solely disconnects Balancing Mechanism Unit's (BMU) from the NETS. In most cases the SO would disconnect the generating unit(s) export BMU; although there have been several instances where the SO has disconnected the station supplies (the import BMU). When the import BMU is disconnected, this could (directly or indirectly) cause the generating unit(s) to lose their output. Although this is classed as a 'Relevant Interruption', National Grid believe that the payment made to the affected generator(s) can be £ zero as the Generating Unit(s) still have access to the NETS so are therefore classed as unaffected and National Grid believe this to be the intent of the (baseline) CUSC.
- 2.6 The Proposer believes that it is important that the CUSC is clear to ensure that arrangements are efficient and give confidence to connected parties. In most cases power station supplies (import BMUs) are connected to the same 'feeders' from the NETS as the export BMU. However, in a few cases they are connected to different parts of the NETS, in these instances it is important that arrangements are clear within the CUSC to avoid different interpretations being made.

¹ National Grid's Balancing Principles Statement Report

<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Balancing-framework/bpsr2013/>

3 Modification Proposal

- 3.1 This Proposal (CMP235) seeks to amend the description in the CUSC of an Interruption and add Emergency Deenergisation by a User (as described in paragraph 2.3 of this report) as a Relevant Interruption.
- 3.2 Generators cannot operate their plant without access to the NETS but also without stable and good quality transmission connection in line with the Grid Code parameters or wider Transmission standards. Where the quality of the Transmission connection falls outside these parameters, this can cause serious damage or injury to persons, User's equipment or the NETS causing plant damage. In this instance a User has the right to deenergise its equipment to protect it from damage, or persons from injury, thus losing access to the NETS; however the CUSC does not currently cover this within the definition of an 'Interruption'.
- 3.3 A new Interruption type is therefore required to cater for these instances, so that a User that deenergises its equipment to protect it or persons from a Transmission connection that falls outside the technical parameters under the SO's Statutory requirements, will be eligible for a Relevant Interruption payment from National Grid in accordance with the CUSC.
- 3.4 It is proposed that the definition of 'Interruption' in the CUSC would change to include point (iii) below;

"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.
- 3.5 This Proposal (CMP236) also seeks to make changes to the CUSC to clarify that where station supplies (import BMUs) are disconnected solely by the TO's plant or apparatus and the effect of this (whether directly or indirectly) is to lose the generating unit(s) output then this should be classed as a Relevant Interruption under the CUSC. For avoidance of doubt, a BMU in this instance should be described as 'either an export BMU or an import BMU' as both can be deenergised and lead to an automatic power station shut down and be considered a Relevant Interruption.
 - 3.6 Following acceptance of a Relevant Interruption, an Interruption Payment is calculated. The SO calculates the amount of 'Affected MW' by the interruption by deducting the sum of the Entry Capacity of the unaffected BMUs from the Transport Entry Capacity. It is at this point where the CUSC is not clear. National Grid interprets the CUSC such that they can decide whether the Export BMUs were affected.
 - 3.7 The term 'Unaffected BMUs' is not defined within the CUSC, therefore National Grid considers it has discretion as to whether to make a payment or not. It is proposed that the CUSC is changed to clarify that Export BMUs would be considered 'affected' when a generator has been interrupted as a direct result of the deenergisation of its import BMU by the SO or TO. National Grid could still reject a 'Relevant Interruption' claim where

they considered that the generator had not acted in a reasonable and prudent manner to avoid being disconnected from the NETS.

4 Summary of Workgroup Discussions

CMP235

Presentation of Original Proposal

- 4.1 At the first Workgroup meeting, the Proposer presented the background and reasons for raising CMP235 and CMP236. The Original Proposal forms can be found in Annex 1 and the supporting presentation can be found on the National Grid Website².
- 4.2 The Proposer explained that CMP235 seeks to change the CUSC definition of Relevant Interruption payment so that an instance where a generator self-disconnects due to the System Operator not maintaining their licence standards can be included as a case where a generator can submit a claim for a Relevant Interruption payment. The Proposer clarified that all other CUSC arrangements around the application and payment of a Relevant Interruption payment would remain as the current CUSC baseline. The Proposer stated that in this new case, a reasonable and prudent operator test should not be required as it should be clear when the SO have operated outside of the licence standards.

Interpretation of current arrangements

- 4.3 The Proposer noted that the CUSC currently states that a User may have the right to de-energise its own equipment if the *'condition or manner of operation of the National Electricity Transmission System...poses an immediate threat of injury or material damage to any person or to its User's Equipment or equipment for which the User is responsible'*. The Proposer noted that the CUSC allows for a Generator to receive a Relevant Interruption payment if they are given an Emergency Deenergisation Instruction (EDI) from the SO in similar circumstances. However it is not clear why a generator can disconnect itself from the Transmission System for the same reasons the SO would need to issue an EDI, and for this not to be classed (in the CUSC) as a Relevant Interruption, resulting in the Generator receiving no Interruption payment. The Proposer clarified that CMP235 is aiming to link the right that generators have to self-disconnect to the right to apply for a Relevant Interruption payment.

Scale of the defect

- 4.4 Within the first Workgroup meeting, the Proposer presented a graphical summary³ of Relevant Interruption claims submitted and paid in recent years based on data they had collected from information sources such as National Grid's Balancing Principles Statement Report. However, the number of Relevant Interruptions or payments made which relate to instances where a generator has disconnected its own station due to the SO operating outside of licence standards was unknown. The National Grid representative confirmed that no payments had been made. The Workgroup discussed whether this information should be publically available; it was the Proposer's view that the SO should publish this information for transparency reasons. One Workgroup member explained, for example, if there was a one off self-disconnection at a 15MW

² CMP225/CMP236 Workgroup Information on National Grid website

<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP235-CMP236/>

³ Proposers presentation can be found within the Workgroup documents on the National Grid website; <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP235-CMP236/>

power station in the north of Scotland then the scale of the Modification would be substantially different to frequent self-disconnection at a 3GW power station in England. Without this information, the Workgroup agreed that it would be difficult to measure the scale of the Modification; both in terms of the defect and the potential impact on Industry Parties and consumers.

- 4.5 The Workgroup noted that information on specific instances and claims would be required to help assess the impact of this Modification; however this information would most likely be confidential and not publically available. It was agreed that the Workgroup should first identify what information is published by National Grid and would be available to the Workgroup. The Workgroup also considered the impact this Modification would have on the total value of Relevant Interruption payments currently made. The Proposer estimated that a total of £1.6million had been paid out over the past ten years which he considered a small amount. One Workgroup member suggested that this figure would have been significantly higher if payments were made for the instances covered in CMP235 and CMP236. One Workgroup member noted that the impact would be determined by the value of the claim and suggested that there could be a large impact on TNUoS charges if there was a claim with the value of over £1 million which was later presented by the National Grid representative as being possible (see paragraph 4.6 below). In order for the Workgroup to fully understand the value and impact of a claim, the National Grid representative took an action to provide an example of a hypothetical claim with a disconnection over 48 hours.
- 4.6 At the second Workgroup meeting, the National Grid representative presented cost analysis based on a disconnection of an indicative 1,000MW power station for one day. It was noted that this disconnection could result in a Relevant Interruption payment of up to £1.1million over the first 24 hours. The National Grid representative noted that after the first 24 hours of disconnection, the Generator will receive a payment equivalent to the Generators specific daily TNUoS liability or the previous year's average daily TNUoS Liability (whichever is the higher). One Workgroup member noted that if a generator was only disconnected for half an hour, their Relevant Interruption payment would be around £10k and therefore would only cover a small percentage of the actual losses incurred by a generator when disconnection from the NETS. The National Grid representative also clarified that the Relevant Interruption payment was for loss of access to the NETS and not to cover any other costs. Based on this discussion, the Proposer noted that the occurrence of generators self-disconnecting should not increase as a result of this modification as the Relevant Interruption payment is not a high enough value to provide a financial incentive for them to do so and that self-disconnection is usually avoided as much as possible. The majority of Workgroup members agreed that it should not lead to a change in behaviours or lead to frivolous claims in this respect given generator's licence conditions. However it could potentially increase the number of Generators receiving Relevant Interruption payments depending on the likelihood of these situations and success of each claim.
- 4.7 The Workgroup also noted that it may be difficult to quantify the costs to businesses and consumers in a meaningful way. One Workgroup member explained that, if a generator is taken off the NETS and incurs a loss of £1m and assuming it's a Relevant Interruption, receives a payment from National Grid, this payment will most likely not cover the costs incurred of £1m. The Workgroup member also noted that it could be argued that the cost to businesses and consumers is negligible or zero. If there is no Relevant Interruption payment made, then the generator would have to recover that cost (£1m) from their customers, whereas if a Relevant Interruption payment is made, then the £1m is recovered from all parties. The Workgroup agreed to ask a consultation question on the potential impact on businesses and consumers (Workgroup Consultation question 9)

- 4.8 One Workgroup member also noted that the Workgroup should consider what would happen in the event of a transmission system collapse. (This is classed as an Allowed Interruption in the CUSC. A Relevant Interruption is an Interruption which is not an Allowed Interruption. Only Relevant Interruptions receive a payment)

Operation outside licence standards

- 4.9 CMP235 seeks to include the instance where a generator self-disconnects due to the SO operating outside its licence standards into the CUSC definition of a Relevant Interruption. By operating outside of the licence standards, this could expose dangerous system conditions that risk material plant damage or injury to persons; the Proposer noted that in these situations a generator would have no choice but to self-disconnect.
- 4.10 The Workgroup agreed that Generators are essentially paying for a service of a certain standard and when the SO operates outside of their licence standards, it is not providing the standard of service expected or paid for. Therefore, a generator should be entitled to make a claim for compensation to cover costs for the period of time it did not receive the service it had paid for, regardless of how the generator was disconnected.
- 4.11 One Workgroup member stated that when the SO operates outside licence standards causing the generator to self-disconnect, any payment made to generators disconnected from the system should not be recovered through TNUoS tariffs. The Workgroup member suggested that, as the SO in this instance would not be complying with a legal agreement, the SO should make a Relevant Interruption payment and not recover the costs in doing so from other Industry Parties. Instead, this payment should come directly from the SO. The same Workgroup member noted that this method would provide a financial incentive for the System Operator to remain within its licence standards, which does not currently exist. One Workgroup member noted that it is important to ensure the right incentives are in place for both the System Operator and the Generator in relation to CMP235. The Proposer clarified that CMP235 is not proposing to change rules around how Relevant Interruption payments are made and subsequently recovered by the relevant TO's and SO.
- 4.12 One Workgroup member questioned whether CMP235 would cover the specific triggers that would cause the SO to operate outside the licence standards such as faults, misuse of equipment, frequency response, harmonisation etc. The Workgroup member noted that certain triggers are out of the SO's control and therefore maybe should not be included within the Modification. The Proposer noted that the SO is ultimately responsible for the safe and proper operation of the NETS and that CMP235 would not consider the specific instance which caused the SO to operate outside its licence standards as there could be dozens of options and may leave more room for interpretation.
- 4.13 One Workgroup member suggested that because harmonics are out of the control of the SO, if this Modification is implemented, this may increase costs to the end consumer through increased expenditure on assets (both TO and Generation) specifically built to reduce conditions resulting in Relevant Interruption payments. Another Workgroup member noted that standards are generally not the same for all generators and change depending on location of a generator so this would be difficult to measure.
- 4.14 One Workgroup member queried what typical 'licence' conditions are envisaged in the Proposal and what would typically constitute the transmission system operating outside of these conditions. For example, the Grid Code criteria which a generating unit is required to meet in respect of voltage tolerance, fault ride through, frequency range, phase unbalance and harmonic content, provide for a fairly wide range of allowable 'licence conditions'. To therefore list a set of requirements/conditions would prove problematic as this list would be lengthy and refer to a number of different codes and

agreements. The list would be generator specific and would need to be constantly updated as requirements change. It would be more efficient for a generator to show when making a claim where they feel National Grid or the system is operating outside of any limits, or for National Grid to list those limits for which a Relevant Interruption payment would not be made if a Generator de-energised (i.e. Harmonics).

- 4.15 It was suggested that a potential alternative to this Modification, should list the specific triggers which would cause the SO to operate outside its licence standards, and can be managed by the SO (therefore classed as Relevant Interruptions), This would seek to avoid Relevant Interruption payments for events which are out of the control of the SO, recognising as stated that the submission of a claim does not always result in an Interruption Payment. A few of the Workgroup members agreed with this option. The National Grid representative noted that listing the specific triggers which would cause the SO to operate outside its licence standards would not be possible as there would be too many to list. It was noted that any disconnection is assessed on a case by case basis including whether / how the SO has operated outside the licence standards.
- 4.16 The Proposer further highlighted that CMP235 is not about clarifying the different situations and scenarios when a claim should be accepted as a) National Grid's licence conditions are clear and b) there would be too many scenarios to cover. CMP235 is about creating a route to be able to claim when a generator as a result of the NETS going outside its legal requirements has had to involuntarily self-disconnect to protect damage to persons or plant as allowed under section 5.2 of the CUSC. The relevant merits of the claim will be decided once a claim is raised as it's pretty clear National Grid will not pay out for circumstances it does not feel responsible for.
- 4.17 However, the Proposer highlighted a real life example where a claim under CMP235 would be allowed is where Grid suppliers fall to two phases instead of three creating phases imbalance such that the generator has to involuntarily shut down to prevent damage or industry to persons or User's system and/or equipment as per section 5.2.2 of the CUSC. Workgroup members discussed this scenario and all agreed that a payment would be expected in this situation.

Possible incentives

- 4.18 One Workgroup member suggested that if this Modification was implemented, it may provide an incentive for generators to self-disconnect for financial gain which would increase the cost of balancing the transmission system. Another Workgroup member noted that the Relevant Interruption payment only makes up a small proportion of the actual costs incurred by a generator by disconnecting from the NETS and therefore would provide no incentive for the generator to self-disconnect. The National Grid representative noted the aim of a Relevant Interruption payment is not to compensate for losses incurred by a generator by disconnecting from the NETS, its aim is to make a payment for loss of access.
- 4.19 The Proposer noted that the SO has an incentive to maintain a stable system for their customers and energy consumers. The Workgroup discussed whether there was a requirement for generators to remain connected during times of system instability. One Workgroup member noted that a generator would try their hardest to avoid being disconnected from the NETS as it is disruptive and expensive.
- 4.20 The Ofgem representative suggested that an alternative solution could be that National Grid improves its reporting on Relevant Interruptions (see existing Balancing Services Statement Report⁴) and provides a narrative for each interruption event. This would

⁴ National Grid's Balancing Principles Statement Report <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Balancing-framework/bpsr2013/>

provide transparency and would give National Grid a reputational incentive to ensure an efficient operation of the National Electricity Transmission System. The National Grid representative noted that whilst this could not technically be an alternative (as it doesn't provide a solution to the defect) National Grid could consider improving the transparency of their reporting on Relevant Interruptions.

Potential impact

- 4.21 The National Grid representative questioned whether there was any discrimination against demand customers with CMP236 as directly connected demand customers do not receive Interruption payments when their supply is interrupted. They could also have increased TNUoS charges as a result of CMP236 with no increased benefit. Another Workgroup member noted that if there is discrimination, this already exists within the CUSC and should be considered separate to CMP236. It was also noted that in any case there was already an incentive placed on the SO by Ofgem to minimise demand interruptions.
- 4.22 The National Grid representative also noted that CMP224 was recently implemented which introduces a cap on the generation proportion of the G:D Split to what is set within the EU Regulation 838/2010. This range is currently set at €0-2.5 /MWh. The GB TNUoS charges for generation are currently close to the upper €2.5 limit. Therefore any increase in allowed revenues due to an increase in the number of claims receiving Interruption payments would likely be picked up by demand customers and not Generators through increased TNUoS demand charges. However, the majority of Workgroup members agreed this was a separate issue.

Burden of proof on the Generator / SO

- 4.23 The Workgroup discussed the burden of proof for both the Generator and SO to provide in the instance of a Relevant Interruption claim. One Workgroup member stated that there should be an onus on both the generator and SO to provide as much relevant information as possible to support the claim so as not to restrict or frustrate the claims process.

Potential options for change

- 4.24 The Workgroup considered potential options for change other than the Original Proposal. It was agreed that there should be options to implement (i) only CMP235 or (ii) only CMP236 as well as the amalgamated modification; this would allow Ofgem, if they wanted to, to reject one Modification or the amalgamated Modifications.
- 4.25 The Workgroup also noted that an alternative that lists or describes what would be classed as a Relevant Interruption and/or an Allowed Interruption when the NETS is operating outside licence standards, should be included within the Final Workgroup Report.

CMP236

Presentation of Original Proposal

- 4.26 At the first Workgroup meeting, the Proposer presented the background and reasons for raising CMP236. The Original Proposal forms can be found in Annex 2 and the supporting presentation can be found on the National Grid Website⁵.
- 4.27 The Proposer explained that CMP236 seeks to clarify the current CUSC text such that when system supplies to a power station are disconnected leading to the interruption of an export BMU(s) and the SO agrees it is a Relevant Interruption, the SO will consider the export BMU(s) affected in the calculation of the Relevant Interruption payment, regardless of whether the export route is still available.

Interpretation of current arrangements

The Proposer believes that the current wording within the CUSC leaves room for interpretation. This has resulted in generators not being able to generate due to a Relevant Interruption, but due to the interpretation made of the CUSC by National Grid, no payment was made. The National Grid representative noted that no payment was made even though it was classed as a Relevant Interruption, as Relevant Interruption payments are based on the amount of 'affected MW' and when station supplies (from an import BMU) are disconnected, an export BMU may still be available. It was also noted that, even though an Export BMU may still be connected to the transmission system, a generator may not be able to export once its supplies have been disconnected. In this instance, there would be no 'affected MW' as the export BMU still has access to the NETS and therefore the calculation of the Relevant Interruption claim will equal £ zero.

- 4.28 The National Grid representative noted for clarification National Grid's current interpretation. If National Grid disconnects a generator so that it could not export and the Interruption is subsequently classed as a Relevant Interruption then the generator would receive a positive Relevant Interruption payment. If National Grid disconnected a power stations supplies resulting in them not being able to generate and it was subsequently classed as a Relevant Interruption then the Relevant Interruption payment would equal £ zero.
- 4.29 The Proposer noted that this appears to have not always been the case and in some instances, the SO has made a payment to the claimant. One Workgroup member questioned whether there are any clear distinctions between these different claims as to why one had been paid and the other had not. Another Workgroup member noted that the different treatment of these claims may have been down to power station design.

Power Station design

- 4.30 The Workgroup discussed the issue of power station design and how this may affect the impact of the System Operator operating outside licence standards on the Generator.
- 4.31 One Workgroup member suggested that generally, some power stations are designed with more than one station transformer, and therefore the supply to the power station would not necessarily be lost if one transformer is disconnected. However, it was noted

⁵ CMP225/CMP236 Workgroup Information on National Grid website

<http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP235-CMP236/>

that even with two power station transformers supply to the power station could still be lost. Another Workgroup member noted that some power stations have all of their supply coming through one transformer and therefore if that transformer is disconnected the supply to the power station will be lost and they will be unable to operate. The Workgroup recognises that the defect of CMP236 may only be applicable to those power stations that only have one station transformer and import BMU.

- 4.32 The Workgroup also discussed whether it would be fair to provide Relevant Interruptions payments to generators that had made a commercial decision to have only one import BMU where others had included more to ensure efficient operation of their plant. One of the Workgroup members pointed out that pre-vesting, a generator did not make this commercial decision and the correct design of their plant may have been with only one import BMU, however post-vesting, power station design was a down to the individual developer. However, Workgroup members agreed that it was unlikely that generators would invest to reinforce their power station suppliers due to the high cost of doing so and the low likelihood of interruption.
- 4.33 One Workgroup member noted that it would be useful to illustrate the differences in power station connections and discuss how Interruption Payments could be made based on the different power station design. The Workgroup discussed three standard power station connections and how the proposed solution would apply to each generator. These were; (a) a power station with just one station transformer (b) a power station with two station transformers and (c) a connection where the station supplies are downstream of the station transformer. The Workgroup discussed which of these instances would receive a Relevant Interruption payment under the Original Proposal.
- 4.34 The Proposer noted that it is very difficult to define precise instances in which a Relevant Interruption payment could have been made, and that in reality there are more power station designs than the three illustrated within the Workgroup meeting. The Workgroup agreed and suggested that it would be useful to understand how many power stations have separate station transformers. A Workgroup member suggested that a potential solution to the defect could be based on the loss of an importing BMU only where the exporting BMU is reliant on the importing BMU being part of the normal operating arrangements as per the original compliant design of the power station. The National Grid representative noted that it is very difficult to define a station transformer and the reality is, all connections are bespoke and it would not be realistic to attempt to treat different power stations differently under CMP236 based on their individual design. The National Grid representative also noted that just because a generator may have more station transformers, this does not necessarily mean that they have increased security in terms of supply. The Workgroup generally agreed that generators should be treated the same under CMP236 regardless of their individual power station design.
- 4.35 It was suggested that in the event that the deenergisation of an import BMU, which subsequently affects an export BMU, the Generator should receive a payment regardless of power station design. The Workgroup generally agreed that generators should be treated the same under CMP236 regardless of their individual power station design.
- 4.36 One Workgroup member questioned whether the arrangements proposed under CMP236 would have any impact on investment decisions of developers as it could encourage different design and operation of their power station. The Proposer believed that the price and likelihood of a Relevant Interruption payment would be so low it would not affect investment decisions and if this was the case, it would be evident already, which it is not. The Proposer clarified that this modification was not aiming to change any value of payments.

- 4.37 One Workgroup member asked what the arrangements were for offshore generators. There was a general understanding in the Workgroup that offshore generators have different arrangements, however, the National Grid representative took an action to find out what happens on the offshore network in terms of Relevant Interruption payments. The National Grid representative later noted that if an onshore Transmission Owner interrupts them they would be treated the same (assuming their agreement allows them to submit a claim i.e. single circuit). If a fault happens on the offshore network, then this is taken into account in the availability incentive which may result in reduced revenues for the OFTO which flows through to TNUoS charges paid by the offshore generator.

Definition of Relevant Interruption

- 4.38 One Workgroup member noted that the definition of Relevant Interruption within the CUSC states that a generator must be deenergised or have a MEL of 0 in order to claim for a Relevant Interruption payment.
- 4.39 A Workgroup member noted that CMP236 is not about determining whether a disconnection should be classed as a Relevant Interruption or not, it is an issue with the calculation of the Relevant Interruption payment to ensure where a Relevant Interruption has been agreed an Interruption Payment is made. One Workgroup member suggested clarifying within the legal text to make sure it captures the associated import BMU with the export BMU when processing a claim to establish a link whilst keeping the provisions within the CUSC the same.

Dispute resolution

- 4.40 One Workgroup member questioned whether there is a dispute resolution for when the SO does not make a payment for a Relevant Interruption and whether this has been used before. Another Workgroup member stated that an option is arbitration, although this is rarely used and that one reason for this Modification is so that Users won't have to use arbitration.

Legal text

- 4.41 The Proposer provided some draft legal text for both CMP235 and CMP236 to the Workgroup as an indication of what might need changing within the CUSC. This can be found within the CUSC Modification Proposal forms within Annex 1 and Annex 2.

CMP235/236 Terms of reference

- 4.42 The Workgroup went through the Workgroup Terms of Reference for CMP235/236 and agreed that they had discussed and considered the scope of work set out by the CUSC Panel in September 2014. The scope of work is outlined below;

a) Interaction of the proposals with the Grid Code, SQSS, Bilateral Agreements and the Transmission Licence.

- 4.43 The Workgroup recognised the link with the operating parameters set out within the Grid Code which the SO are obliged to remain within. One Workgroup member noted that in principle, there should be no impact on other codes, licences or agreements as this Modification does not propose to change any processes. However, the Workgroup agreed that a Workgroup Consultation question should be asked to enquire if there is any interaction with other codes, licences or agreements.

b) Whether there should be a Reasonable and Prudent Operator test applied to the actions of the System Operator and the User who disconnects

4.44 The majority of the Workgroup agreed that there should be a need for a Reasonable and Prudent Operator test applied to the actions of the SO and the User who disconnects.

c) The burden of proof on the claimant to provide evidence to support their claim.

4.45 One Workgroup member suggested that it should be expected that with any claims there would be some proof from the claimant to why they disconnected themselves. Another Workgroup member noted that it would be up to all relevant parties to provide the information about the incident to allow the SO to make an informed decision.

d) Whether there is a different impact on different generation technologies.

4.46 The Workgroup agreed the Modification was technology neutral and that there was no different impact on different technologies as these Modifications were merely extending the current CUSC compensation rules. It was agreed to include this as a question within the Workgroup Consultation.

e) Which specific technical conditions lead to compensation

4.47 The Workgroup discussed the power station designs which may influence whether the power station will need to disconnect from the NETS or not. The Workgroup concluded that any disconnection from the NETS should be considered the same and eligible for a Relevant Interruption payment regardless of power station design.

f) Which circumstances leading to loss of access are insurable for generators and which should be centrally mutualised?

4.48 The Workgroup did not consider any circumstance leading to loss of access to the NETS insurable for generators but will include this as a question within the Workgroup Consultation.

g) Implementation

4.49 The Workgroup agreed that if implemented, CMP235/CMP236 should be implemented 10 Working Days after an Authority decision.

f) Review Illustrative legal text

4.50 The Proposer and Workgroup suggested how the legal text within the CUSC should be changed, however this will be drafted for the Original and any alternatives after the Workgroup Consultation.

Potential options for change

- 5.1 At the CUSC Panel meeting on 26th September 2014, the Panel decided to amalgamate CMP235 and CMP236. On this basis, the CUSC Panel agreed that there should automatically be two Workgroup Alternative CUSC Modifications provided within the Final Modification Report submitted to the Authority which ensured that there were options to implement either (i) CMP235 or (ii) CMP236 separately as well as the amalgamated Modifications as per the Original solution.
- 5.2 The Workgroup will meet once the Code Administrator Consultation has closed to discuss any responses and will finalise any Workgroup Alternative CUSC Modifications (WACMs).

Impact on the CUSC

6.1 Changes to Section 11 – Definitions

Impact on Greenhouse Gas Emissions

6.2 None identified.

Impact on Core Industry Documents

6.3 None identified.

Impact on other Industry Documents

6.4 None identified.

7 Proposed Implementation and Transition

- 7.1 The Workgroup agreed that if implemented, CMP235/CMP236 should be implemented 10 Working Days after an Authority decision.

- 8.1 This Workgroup is seeking the views of CUSC Parties and other interested parties in relation to the issues noted in this document and specifically in response to the questions highlighted in the report and summarised below:

Standard Workgroup Consultation questions;

- Q1:** Do you believe that CMP235/CMP236 Original proposal or either of the potential options for change better facilitates the Applicable CUSC Objectives? Please state which ones and why.
- Q2:** Do you support the proposed implementation approach?
- Q3:** Do you have any other comments?
- Q4:** Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider? Please see 8.3.

Specific CMP235/236 Workgroup Consultation questions;

- Q5:** Do you believe there to be interaction of the proposals with any other codes, licences or agreements? If so please state where.
- Q6:** Do you believe that there is a different impact on different generation technologies? If so please be specific.
- Q7:** Which circumstances leading to loss of access do you believe to be insurable for generators and which do you believe should be centrally mutualised?
- Q8:** Do you think that the proposal may lead to any unintended consequences? If so please state how.
- Q9:** Do you feel that the proposal affects you? If yes, please explain. If possible please provide further evidence on (i) the frequency and likelihood of emergency de-energisation as a result of the condition or manner of the SO operating outside the statutory requirements, and (ii) the impact of these events in quantitative or qualitative terms.
- 8.2 Please send your response using the response proforma which can be found on the National Grid website via the following link: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/CMP235-CMP236/>
- 8.3 In accordance with Section 8 of the CUSC, CUSC Parties, BSC Parties, the Citizens Advice and the Citizens Advice Scotland may also raise a Workgroup Consultation Alternative Request. If you wish to raise such a request, please use the relevant form available at the weblink below:
- http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/forms_guidance/
- 8.4 Views are invited upon the proposals outlined in this report, which should be received by **5pm** on **23rd January 2015**. Your formal responses may be emailed to: cusc.team@nationalgrid.com
- 8.5 If you wish to submit a confidential response, please note that information provided in response to this consultation will be published on National Grid's website unless the response is clearly marked "Private & Confidential", we will contact you to establish the

extent of the confidentiality. A response marked "Private & Confidential" will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the CUSC Modifications Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

- 8.6 Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked "Private and Confidential".

Connection and Use of System Code (CUSC)

Title of the CUSC Modification Proposal

Introduction of a new Relevant Interruption type – when a User has had to Emergency Deenergise as a result of the condition or manner of Transmission System operating outside of the Licencee’s statutory requirements.

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 an issue on the National Electricity Transmission System (NETS) caused solely by the TOs plant or apparatus disconnects the generating unit from the NETS.

While this compensation is limited financially, the principle of payment is clear for these types of events, i.e. an event beyond the control of the generator and due to the NETS.

However, the CUSC is silent on situations where the System Operator and / or TO(s) operates the NETS outside of licence conditions, e.g. outside of technical parameters set out in the Grid Code. In these instances it is possible for a generator to self-disconnect from the NETS to avoid being exposed to dangerous system conditions that risk material plant damage or injury to persons. In these circumstances that generator has not been “disconnected” by virtue of receiving an instruction from the System Operator; rather it has disconnected itself as it is receiving a connection that is outside of the design or operational standards set out in the Grid Code and other relevant documents, such as the Bilateral Connection Agreement, SQSS and STC.

Whilst it is likely that these instances are very rare, we consider it a defect that the CUSC does not explicitly cover compensation for transmission services outside these standards. The effect on the Generator is the same as if they had been physically disconnected– they do not have access to a ‘fit for purpose’ NETS.

The System Operator can issue instructions to generation plant in order prevent damage or injury to persons, equipment or the NETS in return for compensation (paid to the generator) due to the condition or manner of operation of the NETS (under BC2.9). Equally a reasonable and prudent generator should expect to be compensated where it has had to deenergise under clause 5.2.2 as a result of the condition or manner of operation of the NETS going outside acceptable operating parameters.

This modification therefore proposes to further enhance and balance the CUSC by amending

the description of an Interruption to add this type of Emergency Deenergisation by a User (clause 5.2.2) as a Relevant Interruption.

Description of the CUSC Modification Proposal

The CUSC describes the process and criteria necessary for claiming an Interruption Payment as a result of a deenergisation. The CUSC is clear in that an Interruption Payment is due where the Interruption meets the definition of a Relevant Interruption which is basically an Interruption other than an Allowed Interruption.

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**;

Generators cannot operate their plant without access to the NETS but also without stable and good quality transmission connection in line with the Grid Code parameters or wider Transmission standards. Where the quality of the Transmission connection [see earlier comment] falls outside these parameters this can cause serious damage or injury to persons, User's equipment or the NETS causing either plant damage or a consequential shutdown of the station, either automatically or indirectly through the intervention of safety equipment. However NGET can decide, under the current CUSC text, this is not covered as the definition of an Interruption does not explicitly include these instances.

A new Interruption type is therefore needed to cater for instances where the relevant Licensee has not kept the NETS within the technical parameters under its Statutory requirements which has led to a station interruption either directly or indirectly beyond the powers of a reasonable and prudent operator to prevent damage to persons, plant or the NETS. We therefore propose the following inclusion under the Interruption definition below.

Impact on the CUSC

Definition of "Interruption" would need to be changed to include point (iii) below 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; 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.*

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 are 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's licence requires it to operate an efficient and reliable NETS within certain technical parameters (under the Grid Code for example) to ensure a continual and safe operation. NG is not currently incentivised to minimise outages that it does not compensate for and the CUSC does not allow compensation for situations where a User has had to self-interrupt to avoid injury or damage to persons or plant because of a lack of access to a fit for purpose NETS. This modification if approved would therefore lead to greater transparency/ reporting of these events. This in turn should place a reputational incentive on National Grid to maintain NETS in line with their Transmission Licence and therefore better meet their objectives. It will also reduce the likelihood of disconnection.
- By allowing Emergency Deenergisation by User to be compensated as if NG had instructed, this will minimise NG's ability to discriminate between different types of emergency situations which leads to the inevitable deenergisation of the generation unit.

(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.

- There is little difference between NG instructing an EDI or a User Emergency Deenergising – the effect on the generator is the same. It ends up disconnecting as if a forced outage but without any recompense. By compensating for an event that is not currently compensated for you reduce generator's risk. While these events are hopefully very rare, reducing the risk for all generators is likely to increase competition as generators will be more comfortable operating in the market.
- Secondly any reputational incentive created by requiring reporting and transparency of these events is likely to reduce such events happening in the first place. This too will reduce unmanageable risk to generators and hence will further competition.

(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).

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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

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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
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

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.

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.

X (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

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Submitting the Proposal

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Jade Clarke
CUSC Modifications Panel Secretary, TNS
National Grid Electricity Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

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.

Workgroup Terms of Reference and Membership

TERMS OF REFERENCE FOR CMP235/236 WORKGROUP

Responsibilities

1. The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal CMP235/236 “Introduction of a new Relevant Interruption type: when a User has had to Emergency Deenergise as a result of the condition or manner of Transmission System operating outside of the Licensee’s statutory requirements” and “Clarification of when Disconnection Compensation payments can be expected under a Relevant Interruption” tabled by EDF Energy at the Modifications Panel meeting on 26th September 2014.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:
 - (a) the efficient discharge by the Licensee of the obligations imposed on 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;
 - (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

Scope of work

4. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Workgroup shall consider and report on the following specific issues:
 - a) Interaction of the proposals with the Grid Code, SQSS, Bilateral Agreements and the Transmission Licence (CMP235/236)
 - b) Whether there should be a Reasonable and Prudent Operator test applied to the actions of the System Operator and the User who disconnects (CMP235)
 - c) The burden of proof on the claimant to provide evidence to support their claim (CMP235/236)

- d) Whether there is a different impact on different generation technologies (CMP235)
 - e) Which specific technical conditions lead to compensation (CMP235)
 - f) Which circumstances leading to loss of access are insurable for generators and which should be centrally mutualised? (CMP235)
 - g) Implementation
 - h) Review illustrative legal text
6. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
 7. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.
 8. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.
 9. All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.
 10. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of 15 working days as determined by the Modifications Panel.
 11. Following the Consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

12. The Workgroup is to submit its final report to the Modifications Panel Secretary on 22nd January 2014 for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting in January 2015.

Membership

13. It is recommended that the Workgroup has the following members:

Role	Name	Representing
<i>Chairman</i>	Alex Thomason	Code Administrator
<i>National Grid Representative*</i>	Damian Clough	National Grid
<i>Industry Representatives*</i>	John Costa Garth Graham Hannah McKinney Simon Lord William Chilvers John Norbury Esther Sutton	EDF Energy SSE Dong Energy GDF Suez ESB RWE E.ON
<i>Authority Representatives</i>	Christian Milhan	Ofgem
<i>Technical secretary</i>	Jade Clarke	Code Administrator
<i>Observers</i>		

NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

14. The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The agreed figure for CMP235/CMP236 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.
15. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise]. There may be up to three rounds of voting, as follows:
- Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;
 - Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
 - Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

16. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.
17. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.
18. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
19. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

Annex 4 – Workgroup attendance register

A – Attended
 X – Absent
 O – Alternate
 D – Dial-in

Name	Organisation	Role	30/10/14	18/11/14
Emma Radley	Code Administrator	Independent Chair	A	A
Jade Clarke	Code Administrator	Technical Secretary	A	A
John Costa	EDF Energy	Proposer	A	A
Damian Clough	National Grid	Workgroup Member	A	A
Garth Graham	SSE	Workgroup Member	D	D
Hannah McKinney	Dong Energy	Workgroup Member	X	X
Simon Lord	GDF Suez	Workgroup Member	A	D
William Chilvers	ESB	Workgroup Member	A	A
John Norbury	RWE	Workgroup Member	A	A
Esther Sutton	E.ON	Workgroup Member	A	A
Christian Milhan	Ofgem	Authority Representative	A	A