

## **Codes Summary – July 2017** **(as at 11 July 2017)**

This document provides a summary as to latest developments concerning the various other Industry Codes. Further detailed information can be found at:

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

### **CUSC**

The most recent meeting of the **CUSC Modification Panel** was held on **30 June 2017**. The next Panel meeting will take place on **28 July 2017**. **Two Special CUSC Panels were held on 20 June and 4 July**.

**CMP250 Stabilising BSUoS with at least a twelve month notice period** aims to eliminate BSUoS volatility and unpredictability by proposing to fix the value of BSUoS over the course of a season, with a notice period for fixing this value being at least 12 months ahead of the charging season. CMP250 was presented at the CUSC Panel meeting on 28 August 2015. The Panel unanimously agreed that CMP250 should be developed by a Workgroup and set an initial Workgroup timetable of four months, to report back to the December 2015 Panel meeting. At the November 2015 Panel meeting, a three month extension was granted. At the January 2016 CUSC Panel meeting, a further two month extension to CMP250 was agreed and the Workgroup will now report back to the May 2016 Panel meeting. The Workgroup Consultation was published on 15 March 2016 and closed on 14 April 2016, receiving sixteen responses. A two month extension was agreed at the May 2016 Panel meeting and the Workgroup will now report back to the Panel on 29 July 2016. This modification is still at the workgroup stage. **The most recent Workgroup meeting was held on 10 July 2017**.

**CMP251 Removing the error margin in the cap on total TNUoS recovered by generation and introducing a new charging element to TNUoS to ensure compliance with European Commission Regulation 838/2010** aims to ensure that there is no risk of non-compliance with European Regulation 838/2010 by removing the error margin introduced by CMP224 and by introducing a new charging element to the calculation of TNUoS. CMP251 was presented to the CUSC Panel on 28 August 2015. The Proposer requested that the Modification be treated as urgent. The Panel decided unanimously that CMP251 should not be treated as urgent and should be developed by a Workgroup. The Panel Chair has written to the Authority informing them that the Panel will not be requesting urgency for CMP251. At the November Panel meeting, a two month extension was granted and at the January CUSC Panel meeting, a further one month extension to CMP251 was agreed. Another one month extension to the Workgroup timetable was granted at the February 2016 CUSC Panel meeting and the Workgroup will now report back to the April CUSC Panel meeting. The Workgroup Consultation was published on 29 February 2016 and closed on 29 March 2016, receiving ten responses. On 29 April 2016, the CMP251 Workgroup report was presented the CUSC Panel. The Panel asked that the CMP251 Workgroup look at the CMP261 legal opinion as part of their Terms of Reference and were asked to report back with an amended report to the May 2016 CUSC Panel. A one month extension was agreed at the May 2016 Panel meeting and the Workgroup will now report back on 24 June 2016. The Panel noted that although the paper had been presented as a late paper to the Panel, they were happy for it to progress to Code Administrator Consultation. CMP251 is due to be voted on at the CUSC Panel on the 30<sup>th</sup> September 2016. CMP251 has been sent to the Authority for a decision. A decision from the Authority is still pending.

**CMP261 Ensuring the TNUoS paid by Generators in GB in Charging Year 2015/16 is in compliance with the €2.5/MWh annual average limit set in EU Regulation 838/2010 Part B (3).** **CMP261 aims to ensure that there is an ex post reconciliation of the TNUoS paid by GB generators during charging year 2015/16 which will take place in Spring 2016 with any amount in excess of the €2.5/MWh upper limit being paid back, via a negative generator residual levied on all GB generators who have paid TNUoS during the period 1 April 2015 to 31 March 2016 inclusive.** CMP261 was presented to the CUSC Panel at a special CUSC Panel meeting on 9 March 2016. CMP261 was raised as urgent, however the Panel agreed by majority not to request urgency from the Authority and have requested the Workgroup to progress the

modification in a shortened timescale. The Authority responded to this request on 17 March 2016 agreeing that CMP261 should not be considered as urgent, however should be progressed in line with an accelerated timetable. A two month extension was agreed at the May 2016 CUSC Panel, and the Workgroup report is to be presented at July 2016 Panel although will be discussed again at June 2016 Panel where they may agree to a Special CUSC Panel before July 2016 Panel. The Workgroup is on track and is currently progressing towards the publication of the CMP261 Workgroup Consultation at the beginning of July 2016. This modification is at Code Administrator Consultation stage and will be go to the CUSC Panel for their recommendation vote on Friday 25th November 2016. The CUSC Panel Recommendation vote was held on 25th November 2016. CMP261 was submitted to the Authority on 30th November. A decision from the Authority is still pending. The Authority has sent back CMP261 to Workgroup stage. **The most recent Workgroup meeting was held on 22 May 2017. CMP261 was tabled at the CUSC Panel meeting on the 26 May 2017 and the Panel agreed for it to proceed to Code Administrator Consultation. At the CUSC Panel meeting on 20 June 2017, the Panel voted on CMP261 against the Applicable CUSC Objectives. The Panel agreed by majority that the Original, WACM1 and WACM2 were all better than the Baseline. Most Panel members considered WACM1 as the best option. CMP261 was submitted to the Authority on 23 June 2017.**

**CMP264 Embedded Generation Triad Avoidance Standstill.** This modification seeks changes to the Transport and Tariff Model and billing arrangements to remove the netting of output from New Embedded Generators until Ofgem has completed its consideration of the current electricity transmission Charging Arrangements (and any review which ensues) and any resulting changes have been fully implemented. The Panel discussed the proposed timetable for this modification and agreed to request the Workgroup to progress to a shortened timetable. At the June 2016 CUSC Panel, the Workgroup requested and were granted approval of suggested amendments to the Terms of Reference. The Workgroup report is due to be sent to the Panel in October to proceed to Code Administrator Consultation. CMP264 was tabled at the Special CUSC Panel meeting on the 25<sup>th</sup> of October and the Panel agreed for it to proceed to Code Administrator Consultation. The Panel will hold their recommendation vote on the 23<sup>rd</sup> of November, ahead of submission to the Authority. The recommendation vote was held on the 25 November 2016. It was submitted to the Authority on 28 November. **CMP264 has been approved by the Authority with the implementation date of 1 April 2018.**

**CMP265 Gross charging of TNUoS for HH demand where embedded generation is in Capacity Market.** This modification specifically seeks to address the issue that half hourly metered (HH) demand for TNUoS purposes is currently charged net of embedded generation. The Proposer requested that CMP265 is considered as Urgent. The Panel agreed by majority that CMP265 should not be considered as Urgent and should be developed by a Workgroup. The Panel understood the Proposer's reasoning for requesting urgency and agreed to request the Workgroup to progress to a shortened timetable. The Panel's request not to accept urgency will be submitted to the Authority and will be awaiting their response. At the June 2016 CUSC Panel, the Workgroup requested and were granted approval of suggested amendments to the Terms of Reference. The Workgroup report is due to be sent to the Panel in October to proceed to Code Administrator Consultation. CMP265 was tabled at the Special CUSC Panel meeting on the 25<sup>th</sup> of October and the Panel agreed for it to proceed to Code Administrator Consultation. The Panel will hold their recommendation vote on the 23<sup>rd</sup> of November, ahead of submission to the Authority. The recommendation vote was held on the 25<sup>th</sup> November 2016. It was submitted to the Authority on 28<sup>th</sup> November. **CMP265 has been approved by the Authority with the implementation date of 1 April 2018.**

**CMP268'Recognition of sharing by Conventional Carbon plant of Not-Shared Year-Round circuits'**

CMP268 proposes to change the charging methodology to more appropriately recognise that the different types of "Conventional" generation do cause different transmission network investment costs, which should be reflected in the TNUoS charges that the different types of "Conventional" generation pays ideally ahead of the December Capacity Auction. CMP268 was presented at the CUSC Panel meeting on 29 July 2016. The CUSC Panel agreed by majority the modification should be developed by a Workgroup following a standard timetable. The Authority recommended that CMP268 follow an urgent timetable, this was agreed with the CUSC Panel at the August meeting. The workgroup consultation was published on the 16 September and will

close on the 30 September 2016. CMP268 Code Administrator Consultation closed on the 27 October. This modification was voted on by the Panel on the 15 November at the Special CUSC Panel meeting and was submitted to the Authority on the 25 November. The Authority has sent back CMP268 modification to Workgroup stage. The most recent Workgroup meeting was held on 4 May 2017/ will be held on 14 June 2017. **At the Special CUSC Panel meeting on 4 July 2017, the Panel voted on CMP268 against the Applicable CUSC Charging Objectives. One Panel member abstained from the Panel vote. The Panel view was split for both Vote 1 and Vote 2 (did the Original facilitate the Applicable CUSC Charging Objectives better than the Baseline and which option was considered to be the best). There was not a majority support for this Proposal. CMP268 was submitted to the Authority on 6 July 2017.**

**CMP269 ‘Potential consequential changes to the CUSC as a result of CMP264’** This modification aims to address a number of consequential changes required to non-charging sections of the CUSC to reflect the CMP264 Proposal or any alternative proposals agreed by the CMP264 Workgroup. CMP269 was tabled at the Special CUSC Panel meeting on the 25<sup>th</sup> of October and the Panel agreed for it to proceed to Code Administrator Consultation. The Panel will hold their recommendation vote on the 25 November, ahead of submission to the Authority. The recommendation vote was held on the 25 November 2016. It was submitted to the Authority on 28 November. A decision from the Authority is still pending. **CMP269 has been approved by the Authority with the implementation date of 1 April 2018.**

**CMP270 ‘Potential consequential changes to the CUSC as a result of CMP265’.** This modification aims to address a number of consequential changes required to non-charging sections of the CUSC to reflect the CMP265 Proposal or any alternative proposals agreed by the CMP265 Workgroup. CMP270 was tabled at the Special CUSC Panel meeting on the 25<sup>th</sup> of October and the Panel agreed for it to proceed to Code Administrator Consultation. The Panel will hold their recommendation vote on the 23 November, ahead of submission to the Authority. The recommendation vote was held on the 25 November 2016. It was submitted to the Authority on 28 November. A decision from the Authority is still pending. **CMP270 has been approved by the Authority with the implementation date of 1 April 2018.**

**CMP271 ‘Improving the cost reflectivity of demand transmission charges’.** CMP271 aims to improve the cost reflectivity of demand transmission charges. It is proposed that the transmission charging methodology should include a Peak Security demand tariff levied at Triad, a Year Round demand tariff and revenue recovery levied on year round supplier demand. The initial workgroup meeting will be held on the 1<sup>st</sup> November 2016. **The most recent Workgroup meeting was held on the 22 May 2017.**

**CMP275 ‘Transmission Generator Benefits in the provision of ancillary and balancing services- levelling the playing field’.** CMP275 seeks that a principle of financial mutual exclusivity is introduced to prevent BM units from accessing multiple sources of duplicate and overlapping revenue from ancillary services on the same asset. The initial Workgroup meeting was held on 15 February 2017. **The next Workgroup Meeting will be held on 17 July 2017.**

**CMP274 ‘Winter TNUoS Time of Use Tariff (TToUT) for Demand TNUoS’** CMP274 aims to improve the cost reflectivity of demand transmission charges. It is proposed that the transmission charging methodology should include a Winter Weekday Time of use demand tariff which reflects the existing Demand Residual element of the existing methodology so that revenue recovery is levied over a longer period of assessment. The initial workgroup meeting was held on the 1 November 2016. The most recent Workgroup meeting was held on the 22 May 2017.

**CMP276 ‘Socialising TO costs associated with “green policies”.** CMP276 proposes a reduction in the demand residual element of the TNUoS £/kW (“Triad”) charge by creating two new charge lines for all demand offtakes: (i) with the level of charge based on a fixed charge per MPAN (or alternatively the import meter size of each consumer) and (ii) a simple per kWh charge on all consumers. Currently demand residual is the cost bucket which is left to capture all TO costs that cannot be otherwise allocated. Unless there is change the current methodology this is forecast to lead to high demand TNUoS payments at the time of Triads, which are widely recognised to be unacceptable and unsustainable. Mods CMP264 and CMP265 deal with a subset of the

symptoms only, because they define the defect too narrowly. Their definition prohibits the full range of potential solutions being considered, and by excluding certain types of meter and treating some meters differently to others, this inevitably leads to a discriminatory outcome. This modification is defined to address the underlying cause of the escalation in demand residual and proposes a simple, non-discriminatory approach to its resolution which addresses equitable competition in ALL markets, domestic and international, reduces total cost to consumers and has the structure to form an enduring solution. Nominations for this Workgroup are open until 24 February 2017. A decision letter from the Authority granting urgency is pending. The initial Workgroup meeting was held on 17 March 2017. **The next Workgroup meeting will be held on 24 July 2017.**

**CMP277 'Special License Condition 4J'**. This modification seeks to update Section 14.30.6 and 14.32 of the CUSC to reflect the changes made to the terms of the external BSUoS charges recoverable by the SO due to new License Condition 4J and changes to Special License Condition 4C.1. On 31 March 2017, the CUSC Panel agreed that this proposal meets the Self- Governance criteria and should progress to Code Administration Consultation. At the CUSC Panel on 26 May 2017, The Panel voted on CMP277 against the Applicable CUSC Objectives. The Panel members unanimously agreed that the Original was better than the baseline and determined that the modifications be implemented within the CUSC following a 15 day Appeals window. **The original implementation date for these Proposals was delayed due additional clarification which was required for the Legal Text. The Panel noted that this issue has now been resolved and the modification was implemented in the CUSC ON 6 July 2017.**

**CMP278 'BSIS 2017 Housekeeping'**. This modification seeks to Update CUSC sections 14.30.11 and 14.32 to reflect the changed cap and collar and sharing factors of the Balancing Services Incentive Scheme as detailed in the current Ofgem Statutory License Consultation and; update 14.32 example BSUoS calculation to reflect changed terms within external BSUoS costs detailed in License change. On 31 March 2017, the CUSC Panel agreed that this proposal meets the Self- Governance criteria and should progress to Code Administration Consultation. At the CUSC Panel on 26 May 2017, The Panel voted on CMP278 against the Applicable CUSC Objectives. The Panel members unanimously agreed that the Original was better than the baseline and determined that the modifications be implemented within the CUSC following a 15 day Appeals window. **The original implementation date for these Proposals was delayed due additional clarification which was required for the Legal Text. The Panel noted that this issue has now been resolved and the modification was implemented in the CUSC ON 6 July 2017.**

**CMP279' 'Housekeeping modification to amend typographical errors in the CMP272 legal text.'** The Authority when making its decision to approve the implementation of CMP272 noted three legal text errors in the Final Modification Report and recommended that these should be corrected via a Housekeeping Modification. On 28 April 2017, the CUSC Panel unanimously agreed that this proposal meets the Fast Track Self- Governance criteria and should progress through to the Appeals window. No Appeals were received and in line with the timetable CMP279 was implemented on 31 May 2017.

**CMP280' Creation of a New Generator TNUoS Demand Tariff which Removes Liability for TNUoS Demand Residual Charges from Generation and Storage Users'** The Modification aims to remove liability from Generator and Storage Parties for the Demand Residual element of the TNUoS tariff. The CUSC Panel agreed to process this proposal following a standard timetable.

**CMP281' Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities'** The Modification aims to remove liability from storage facilities for Balancing Services Use of System (BSUoS) charges on imports. The Panel agreed to process this proposal following a standard timetable.

**CMP282' The effect Negative Demand has on Zonal Locational Demand Tariffs'** To amend how the DCLF model calculates Zonal Locational Demand tariffs so that the final locational zonal demand tariffs accurately reflect the underlying locational signals. The Panel agreed to recommend that this proposal follow an Urgent timetable. The initial Workgroup meeting will be held on 14 July 2017.

**CMP283' Consequential Changes to enable the Interconnector Cap and Floor regime' :** This modification aims to facilitate the Interconnector Cap and Floor regime through creating the process for data provision between Interconnectors and National Grid within the CUSC. The Panel agreed to treat this proposal as a standard modification to be issued out to Code Administrator consultation without forming a Workgroup.

## **STC**

The most recent meeting of the **STC Modification Panel** was held on **28 June 2017**. The next STC Panel meeting will take place on **26 July 2017**.

CM059 'Changes to Section C and H following Ofgem Response to Adjudication Request' seeks to correct the Section C Paragraph 5.9.5 for refer to Section H and to update Section H to allow a referable clause to the Authority. CM059 is on hold pending legal teams at NGET and Ofgem communicating.

## **SQSS**

The most recent meeting of the **SQSS Panel** was held on **the 14 June 2017**. The next meeting will be held on **13 September 2017**.

**GSR012: Interconnectors:** This considers a consistent treatment of interconnectors when planning their local connections and their impact on wider infrastructure requirements. The original understand was that the Workgroup was due to presenting their working-group report to the NETS SQSS Review Panel in February. **The draft Workgroup Report is yet to be circulated to Workgroup members, but it is planned to be released soon.**

**GSR014 Offshore Requirements at Onshore Substations:** This considers the onshore substation requirements (one or two switch-bays) where offshore cables connect to the onshore network. At the August 2015 NETS SQSS Review Panel it was unanimously agreed that this modification is ready to be submitted to the Authority for a decision. **The Proposer of this modification has withdrawn its support for the modification and Ofgem have been consulted and therefore the modification has been officially withdrawn.**

**GSR016 Application of Scaling Factors and the Inclusion of Embedded Wind in NETS SQSS Chapter 4 Studies:** This aims to determine more realistic dispatch levels for generation, including embedded generation, in local and wider system capability studies. The NETS SQSS Review Panel is coming under increased pressure to conclude this modification. As a consequence this may now be wrapped up with a new piece of work concerning the Security and Economy Planned Transfer Conditions as detailed below. **The Workgroup report is due to be circulated in the next few weeks with an estimated completion of Q4 2017 subject to the remaining governance processes.**

**GSR018 Sub-Synchronous Oscillations (SSO):** The NETS SQSS Review Panel agreed to progress work to develop and clarify the transmission licensees' responsibilities with respect to sub-synchronous oscillation issues. A workgroup report has been approved and consulted upon. The workgroup is due to present their modification report to the NETS SQSS Review Panel soon. Once approved, this shall be submitted to the Authority. This modification has been submitted to the Authority. This modification has been sent back by the Authority, work on this modification will be done in the GC0077 workgroup. The workgroup re-grouped to meet on 5 December 2016 whereby it was agreed the Code Governance team would send out a revised draft of the Report to the Authority to the workgroup to comment. This will summarize the further evidence and background as discussed during the meeting. The relevant changes were made to the Final Workgroup Report and circulated to the Workgroup Members for comment. The Workgroup approved of the amendments and the Report is in a position to be re-submitted to the Authority. Following no further comments being received the Report to the Authority was re-submitted on 30 January 2017. **The Authority made a decision on 7 March 2017 to approve the changes. The**

Authority have advised for the changes to take effect the Authority will need to modify the relevant conditions of the electricity transmission licence so that they refer to the new version of the SQSS. As this modification is not time critical the Authority have not yet issued a statutory consultation to modify the licences. The Authority will be doing this at an appropriate stage in the future, such as when the Authority issues a decision on other SQSS Modifications.

**GSR019: Review of Chapter 7 Double Busbar Requirements:** It has been suggested that current interpretation of the NETS SQSS mandates the use of a double busbar (or equivalent) arrangement for the first onshore substation for offshore transmission system connections. However, a Cost Benefit Analysis (CBA) performed by DONG Energy aims to demonstrate that this requirement is not the most economic and efficient solution for all offshore wind farm connections. It has therefore been proposed that this interpretation within the NETS SQSS for the need to have double busbar substation arrangements is addressed and subject to NETS SQSS Review Panel assessment, this deterministic requirement be removed if no net benefit can be demonstrated for this configuration of switchgear when considering the specific characteristics of offshore generation connections. The workgroup is due to present their workgroup report to the NETS SQSS Review Panel soon. This modification stalled for a period, the proposer of this modification is due to attend the October Panel to discuss work restarting in this area. The proposer of this modification presented at the October Panel meeting. The Panel discussed this modification further at the December Panel and agreed this is not a priority and work on this modification should be on hold.

**GSR022: Design of Main Interconnected Transmission System (MITS):** It is proposed to review the assumptions used to set power system transfer conditions for design of the MITS. These conditions are covered in Chapter 4 of the NETS SQSS and are referred to as the “Security Planned Transfer Condition” and the “Economy Planned Transfer Condition”. For the 2015 Future Energy Scenarios (FES), lower levels of thermal generation capacity in later years cause the “Security Planned Transfer Condition” to break down. Additionally, it is agreed that the scaling of different types of generation and external system connections in the application of the “Economy Planned Transfer Condition” should be reviewed. Reviewing the two conditions will ensure that their use continues to identify accurately the future need for transmission infrastructure reinforcement. A working-group will shortly be established. A workgroup has been established and the initial meeting will be held towards the end of October 2016. The initial workgroup meeting was held on the 31<sup>st</sup> of October 2016. The first face to face workgroup meeting was held on 15 January 2016. **Analysis work has started following a recent Workgroup meeting. The next meeting is likely to be held in around six weeks' time.**

# AMALGAMATED ELECTRICITY CODES MODIFICATION REPORT

As at 11 July 2017

This document contains the Modification Registers for the CUSC, STC, Charging, Grid Code and SQSS and is correct as of the above date.

The most up to date versions may be found at the following websites:

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

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

TCMF: <http://www2.nationalgrid.com/UK/Industry-information/System-charges/Electricity-transmission-Charges/>

Grid Code: <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/Grid-code/Modifications/>

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

BSC Amendments can be found on the following website:

[www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx](http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationReports/default.aspx)