

# **CMP291**

The open, transparent, non discriminatory and timely publication the harmonised rules for grid connection (in accordance with the RfG, DCC and HVDC) and the harmonised rules on system operation (in accordance with the SOGL) set out within the Bilateral Agreement(s) exhibited in the CUSC.

Garth Graham for SSE Generation Ltd.

CUSC Panel 23<sup>rd</sup> February 2018

# Background (1)

- **Defect**
- The Bilateral Agreements, which are Exhibits to the CUSC, do not reflect the new EU requirements of (i) the RfG, DCC and HVDC Network Codes (with respect to grid connection) or (ii) the System Operation Guideline (with respect to system operation).

# Background (2)

- **What**

- The CUSC will need to be amended to set out within the Bilateral Agreements, which are Exhibits to the CUSC, the harmonised rules that parties will have to sign up to (i) as 'new' connecting parties (or existing connected parties where a new connection agreement is required) and (ii) as new and existing parties with respect to system operation.

# Background (3)

- **Why**
- Guidance from BEIS and Ofgem was to apply the new EU requirements within the existing GB regulatory frameworks. This would provide accessibility and familiarity to GB parties, as well as putting in place a robust governance route to apply the new requirements in a transparent and proportionate way.

# Background (4)

- **How**
- With the support of the industry, we will use this modification to finalise the harmonised contractual structure(s) and rules to apply the new requirements arising from the three EU Connection Network Codes and System Operation Guideline, before consulting with the wider industry and submitting to Ofgem for a decision.

# Why Change (1)

- This Proposal is one of a number of Proposals which seek to implement relevant provisions of a number of new EU Network Codes/Guidelines which have been introduced in order to enable progress towards a competitive and efficient internal market in electricity.
- Guidance from BEIS and Ofgem was to apply the new EU requirements within the existing GB regulatory frameworks. This would provide accessibility and familiarity to GB parties, as well as putting in place a robust governance route to apply the new requirements in a transparent and proportionate way.

# Why Change (2)

- The legal text for the Grid Code changes to apply the new EU requirements; such as for GC0100, GC0101 and GC0102 due to be submitted to Ofgem; have identified that certain new EU requirements will be set out in the Bilateral Agreement(s).
- The Grid Code defines '**Bilateral Agreement**' as "Has the meaning set out in the **CUSC**"
- The CUSC relevant definition, in Section 11, is:
- *"**Bilateral Agreement**" in relation to a **User**, a **Bilateral Connection Agreement** or a **Bilateral Embedded Generation Agreement**, or a **BELLA** between **The Company** and the **User***

# Why Change (3)

- Further EU legal aspects, that this Proposal addresses; in terms for the RfG, DCC, HVDC Network Codes and the System Operation Guidelines; are set out in the Proposal.



# Solution (1)

- With this Proposal, the Bilateral Agreement (Bilateral Connection Agreement, Bilateral Embedded Generation Agreement and BELLA) shall be set out; in the Exhibits to the CUSC; in four distinct Parts. Some or all of the four distinct Parts maybe applicable to the User and the Company depending on the circumstances.
- Part 1 will be the Harmonised Connection Arrangements ('HCA').
- Part 2 will be the User Agreed Arrangements ('UAA').
- Part 3 will be the Harmonised Operational Arrangements ('HOA').
- Part 4 will be the National (non EU harmonised) Connection Arrangements ('NCA').

# Solution (2)

- At this stage we envisage that as a result of this Proposal there could be up to ten versions of the applicable Exhibits (1, 2 and 5) which, respectively, will be for:
  - (i) Type A power station;
  - (ii) Type B power station;
  - (iii) Type C power station;
  - (iv) Type D power station;
  - (v) HVDC connected power part module;
  - (vi) Distribution System;
  - (vii) Non-Embedded Customer Site;
  - (viii) Interconnector;
  - (ix) Demand Side Response provider to the TSO; and
  - (x) Provider of re-dispatch of power generating modules or demand facilities.

# Solution (3)

- We set out in the Proposal further information on the four Parts and the applicability of them to various parties.

# Justification against Applicable Objectives (1)

- (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence - **Positive**
- (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 - **Positive**
- (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency - **Positive**
- (d) Promoting efficiency in the implementation and administration of the CUSC arrangements - **Positive**

# Justification against Applicable Objectives (2)

- The EU Connection Codes derive from the Third Energy Package legislation which is focused on delivering security of supply; supporting the connection of new renewable plant; and increasing competition to lower end consumer costs. It therefore positively supports the first two and the last CUSC objectives ((a), (b) and (d)).
- Furthermore, this modification is to ensure GB compliance with EU legislation in a timely manner, which positively supports the third CUSC applicable objective (c)

# Governance

- We expect this Proposal to follow the Normal CUSC procedure as it is neither 'Self Governance' of 'Fast-Track'.
- System Operator is expected to provide newly connecting generator parties (or existing parties require a new connection agreement) with the amended Bilateral Agreement(s) from mid May 2018 (and newly connecting demand and HVDC parties from September 2018).
- We believe this proposal, whilst following the Normal procedure, should be treated in an accelerated way in order that the amended Bilateral Agreement Exhibits in the CUSC are available to the applicable parties in time for them to meet the new EU requirements.

## Proposed Timetable: CMP291



CUSC Panel – 26 February 2018  
Code Administration

## Code Administrator - Proposed Progression

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- The Panel is asked to agree:
  - If CMP291 should be progressed using:
    - Standard CUSC Proposal timetable (with Workgroup)



# Proposed Indicative timetable for CMP291

The Code Administrator recommends the following indicative timetable:

<b>Initial consideration by Workgroup</b>	March – August 2018
<b>Workgroup Consultation issued to the Industry</b>	September 2018
<b>Modification concluded by Workgroup</b>	January 2019
<b>Workgroup Report presented to Panel</b>	February 2019
<b>Code Administration Consultation Report issued to the Industry</b>	March 2019
<b>Draft Final Modification Report presented to Panel</b>	April 2019
<b>Modification Panel decision</b>	April 2019
<b>Final Modification Report issued the Authority</b>	May 2019
<b>Decision implemented in CUSC</b>	June 2019