



AMENDMENT REPORT VOLUME 1

CUSC Amendment Proposal CAP174

Amendment to Exhibit B to require provision of location of proposed Offshore Connection Site

The purpose of this document is to assist the Authority in their decision of whether to implement CAP174

Amendment Ref	CAP174
Issue	V1.0
Date of Issue	15 th October 2009
Prepared by	National Grid

I DOCUMENT CONTROL

a National Grid Document Control

Version	Date	Author	Change Reference
0.1	09/09/09	National Grid	Draft for comment
0.2	17/09/09	National Grid	Draft for Panel Comment and Vote
0.3	30/09/09	National Grid	Draft incorporating Panel Recommendation Vote for review and comment by Panel Members
1.0	15/10/09	National Grid	Final version for Authority decision

b Distribution

Name	Organisation
The Gas and Electricity Markets Authority	Ofgem
CUSC Parties	Various
Panel Members	Various
National Grid Industry Information Website	

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1.0 SUMMARY AND RECOMMENDATIONS

Executive Summary

- 1.1 CAP174 Amendment to Exhibit B to require provision of location of proposed Offshore Connection Site was submitted to the Amendments Panel for consideration on 31st July 2009. The Proposer requested that the Amendment Proposal proceed directly to wider consultation by The Company. The Company Consultation was issued on 13th August 2009 and the deadline for responses was 3rd September 2009. Three responses were received.
- 1.2 Following “Go-Active” of the Offshore regime on 24th June 2009, it was noted that the application form contained within Exhibit B to the CUSC (for a directly connected Power Station, Non-Embedded Customer or Distribution System directly connected to the National Electricity Transmission System) does not require an Applicant to provide the specific location of the Offshore Connection Site. It is proposed to amend Exhibit B to encourage an Applicant to provide the longitude and latitude of the proposed Offshore Connection Site, to mirror the level of detail suggested for an Onshore Connection Site.
- 1.3 It should be noted that the proposed Amendment does not make the provision of this information mandatory in order for the application to progress; however, failure to provide sufficient detail of the proposed location of an Offshore Connection Site could lead to a delay in the connection application process.

Amendment Panel Recommendation

- 1.4 At the meeting of the CUSC Amendments Panel on 25th September 2009, the Panel Members voted unanimously that CAP174 better meets the Applicable CUSC Objectives. A detailed breakdown of the voting is contained in section 11 of this report.

National Grid Recommendation

- 1.5 As proposer, National Grid supports implementation of CAP174 on the basis that it better achieves the Applicable CUSC Objectives. Amending the application form as described will remove any potential for discrimination between different classes of applicant who use different application forms and would also therefore better facilitate competition between those different classes of user.

2.0 PURPOSE AND INTRODUCTION

- 2.1 This Amendment Report has been prepared and issued by National Grid under the rules and procedures specified in the Connection and Use of System Code (CUSC) as designated by the Secretary of State.
- 2.2 Further to the submission of Amendment Proposal CAP174 (see Annex 2) and the subsequent wider industry consultation that was undertaken by National Grid, this document is addressed and furnished to the Gas and Electricity Markets Authority (“the Authority”) in order to assist them in their decision whether to implement Amendment Proposal CAP174.

- 2.3 CAP174 was proposed by National Grid and submitted to the CUSC Amendments Panel for consideration at their meeting on 31st July 2009. The Amendments Panel determined that CAP174 was appropriate to proceed to wider industry consultation by National Grid.
- 2.4 This document outlines the nature of the CUSC changes that are proposed. It incorporates National Grid's recommendations to the Authority concerning the Amendment. Copies of all representations received in response to the consultation have been included and a summary of the representations is also provided. Copies of each of the responses to the consultation are included in Volume 2 of this Amendment Report.
- 2.5 This Amendment Report has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid website, at www.nationalgrid.com/uk/Electricity/Codes/.

3.0 PROPOSED AMENDMENT

- 3.1 CAP174 seeks to address a potential cause of delay in the connection application process for Offshore Applicants. Applications for a Directly Connected Power Station, Non-Embedded Customer or Distribution System Directly Connected to the National Electricity Transmission System should all be made on the application form contained within Exhibit B to the CUSC. At present, within the application form, an Onshore Applicant is required to identify the proposed Connection Site, preferably by reference to an extract from an Ordnance Survey Map.
- 3.2 When the CUSC was updated for the Offshore regime "Go-Active", the application form within Exhibit B was not amended to require an Applicant to identify the exact location of the Offshore Connection Site, by reference to an Offshore equivalent of an Ordnance Survey map reference. If left unaddressed, an Applicant may not realise that they should provide as much information on the exact location of the Offshore Connection Site as possible.
- 3.3 It should be noted that the proposed Amendment does not make the provision of this information mandatory; however, failure to provide sufficient detail of the proposed location of an Offshore Connection Site could lead to a delay in the connection application process.

4.0 ASSESSMENT AGAINST APPLICABLE CUSC OBJECTIVES

- 4.1 The Proposer considers that CAP174 would better facilitate the following Applicable CUSC Objectives:
- (a) the efficient discharge by the Licensee of the obligations imposed upon it by the act and the Transmission Licence; and
 - (b) facilitating effective competition in generation and supply of electricity and facilitating such competition in the sale, distribution and purchase of electricity.
- 4.2 Should this omission not be addressed, it is possible that an Applicant required to use Exhibit B to the CUSC (namely a directly connected Power Station, Non-Embedded Customer or Distribution System directly connected to the National Electricity Transmission System) could experience a delay in

the application process, relative to an Applicant which requires a different type of connection and therefore uses a different application form.

- 4.3 Therefore, this Amendment Proposal can be seen to better facilitate both of the Applicable CUSC Objectives, as it would remove any potential discrimination between classes of persons in the required different usage of application forms and better facilitate competition between different categories of Applicant by ensuring that the potential delay identified is removed from the application process.

5.0 PROPOSED IMPLEMENTATION

- 5.1 National Grid proposes that CAP174 should be implemented immediately after an Authority decision as the Offshore Go-Active date has already passed. In accordance with 8.19.10(b) views were invited on this proposed implementation date during the Company's consultation, but no responses were received.

6.0 IMPACT ON THE CUSC

- 6.1 CAP174 requires amendments to Exhibit B of the CUSC.
- 6.2 The text required to give effect to the Amendment Proposal is contained as Annex 1 of this document.

7.0 IMPACT ON INDUSTRY DOCUMENTS

Impact on Core Industry Documents

- 7.1 CAP174 has no impact upon Core Industry Documents.

Impact on other Industry Documents

- 7.2 CAP174 has no impact upon other Industry Documents.

8.0 NATIONAL GRID VIEW

- 8.1 As proposer, National Grid supports implementation of CAP174 on the basis that it better achieves both Applicable CUSC Objectives (a) and (b), as described in section 4 above. Amending the application form as described will remove any potential for discrimination between different classes of applicant who use different application forms and would also therefore better facilitate competition between those different classes of user.

9.0 INDUSTRY VIEWS AND REPRESENTATIONS

Responses to National Grid's Consultation

- 9.1 The following table provides an overview of the representations received. Copies of the representations are contained in Amendment Report Volume 2.

Reference	Company	Supportive	Comments
CAP174-CR-01	E.ON UK Ltd	Yes	The proposal will facilitate connection applications for generators situated offshore.
CAP174-CR-02	RWE group of companies including RWE Npower plc, RWE Supply and Trading GmbH and RWE Innogy	Yes	RWE is supportive of the general intent of the proposal, noting that it will remove the potential for discrimination and facilitate competition. However, RWE highlights the difficulties that developers face in identifying a definitive longitude and latitude for the connection point. RWE suggests that any initial information regarding the connection point may refer to an area within 5km of the indicated connection point. This would allow National Grid to progress the connection offer and for the final location of the connection point to be identified once full design work and sea bed surveys are complete.
CAP174-CR-03	ScottishPowers's Energy Wholesale Business which includes ScottishPower Generation Ltd, Scottish Power Energy Management Ltd and ScottishPower Renewable Energy Ltd	Yes	The proposal would add clarity and consistency and potentially reduce delay in applications.

National Grid's View

9.2 National Grid acknowledges the difficulties of pinpointing an exact connection point at the start of the connection application process as highlighted by RWE. National Grid agrees that the RWE proposal would allow for National Grid to prepare a Stage 1 Offer based on costings of the offshore transmission network with a tolerance of +/- 5km, which would form part of the Offshore Assumptions within the Offer. Any variations arising from the Offshore Transmission Owner tender process would allow National Grid to issue a Stage 2 offer after that tender process had concluded. National Grid does not consider that a change to the proposed legal text (included in Annex 1) is necessary to reflect this, given that the provision of a longitude and latitude is not made mandatory by the proposed amendment.

10.0 COMMENTS ON THE DRAFT AMENDMENT REPORT

10.1 National Grid received no comments following the publication of the draft Amendment Report.

11.0 AMENDMENTS PANEL RECOMMENDATION

11.1 At the meeting of the CUSC Amendments Panel on 25th September 2009, the Panel Members voted unanimously that CAP174 better facilitates achievement of the Applicable CUSC Objectives.

11.2 The table below shows a detailed breakdown of Panel Members' votes against the CUSC Applicable Objectives and the rationale for such votes. For ease of reference the Objectives are reproduced here:

(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and

(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.

Panel Member (Representation in brackets)	Better meets Applicable CUSC Objective (a)	Better meets Applicable CUSC Objective (b)
Barbara Vest (User)	Yes	Yes
Bob Brown (User)	Yes. CAP174 represents a pragmatic solution.	No.
Garth Graham (User)	Yes. Allowing Applicants to provide a location within certain variations will aid efficiency.	No
Paul Jones (User)	Yes. The proposed change would be helpful to Applicants.	No
Paul Mott (User)	Yes	Yes. CAP174 should offer marginal improvements to facilitating competition.
Simon Lord (User)	Yes. National Grid having more information on the connection location should increase efficiency of the application process.	No.
Tony Dicicco (User)	Yes	No
Victoria Moxham (Consumer)	Yes. Removing potential iterations from the application process should increase efficiency.	Yes
Hêdd Roberts (National Grid)	Yes. CAP174 would remove any potential discrimination between Applicants.	Yes.

12.0 NATIONAL GRID RECOMMENDATION

12.1 As proposer of CAP174, National Grid supports the Amendment Proposal and recommends that it be implemented. National Grid considers that CAP174 better facilitates achievement of both Applicable CUSC Objectives, as set out in section 4 above.

ANNEX 1 – PROPOSED LEGAL TEXT TO MODIFY THE CUSC

Text to give effect to the Proposed Amendment

The proposed legal text to modify the CUSC is detailed below by inserting the coloured, underlined text.

EXHIBIT B – SECTION B

SECTION B. THE PROPOSED POINT OF CONNECTION

1. Please identify (preferably by reference to an extract from an Ordnance Survey Map for Onshore locations, or with the latitude and longitude or some other corresponding equivalent for Offshore locations) the intended location (the “**Connection Site**”) of the **Plant** and **Apparatus** (the “**User Development**”) which it is desired should be connected to the **National Electricity Transmission System** and where the application is in respect of a proposed **New Connection Site** other than at an existing sub-station. Please specify the proposed location and name of the **New Connection Site** (which name should not be the same as or confusingly similar to the name of any other **Connection Site**) together with details of access to the **Connection Site** including from the nearest main road.

ANNEX 2 – AMENDMENT PROPOSAL FORM

CUSC Amendment Proposal Form	CAP174
Title of Amendment Proposal: Amendment to Exhibit B to require provision of location of proposed Offshore Connection Site	
Description of the Proposed Amendment <i>(mandatory by proposer):</i> Following “Go-Active” of the Offshore regime on 24 June 2009, it was noted that the application form contained within Exhibit B to the CUSC (for a directly connected Power Station, Non-Embedded Customer or Distribution System directly connected to the National Electricity Transmission System) does not require an Applicant to provide the specific location of the Offshore Connection Site. It is proposed to amend Exhibit B to require an Applicant to provide the longitude and latitude of the proposed Connection Site.	
Description of Issue or Defect that Proposed Amendment seeks to Address <i>(mandatory by proposer):</i> Currently, an Onshore Applicant is required to identify the proposed Connection Site, preferably by reference to an extract from an Ordnance Survey Map. When the CUSC was updated for the Offshore regime “Go-Active”, the application form within Exhibit B was not amended to require an Applicant to identify the exact location of the Offshore Connection Site. If left unaddressed, an Applicant may not realise they are required to provide such information which could unnecessarily delay the application process.	
Impact on the CUSC <i>(this should be given where possible):</i> Exhibit B to the CUSC: Connection Application for directly connected Power Station, Non-Embedded Customer and Distribution System directly connected to the National Electricity Transmission System.	
Impact on Core Industry Documentation <i>(this should be given where possible):</i> There will be no impact on Core Industry Documentation.	
Impact on Computer Systems and Processes used by CUSC Parties: There will be no impact on Computer Systems or Processes used by CUSC Parties.	
Details of any Related Modifications to Other Industry Codes <i>(where known):</i> Not applicable.	
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives**: The Proposed Amendment would better facilitate the achievement of both of the Applicable CUSC Objectives contained within the Transmission Licence, as follows: <i>(a) the efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence; and</i> <i>(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,</i> Should this omission not be addressed, it is possible that an Applicant required to use Exhibit B to the CUSC (namely a directly connected Power Station, Non-Embedded Customer or Distribution System directly connected to the National Electricity Transmission System) could experience a delay in the application process, relative to an Applicant which requires a different type of connection and therefore uses a different application form. Therefore, this Amendment Proposal can be seen to better facilitate both of the Applicable CUSC objectives, as it would remove any potential discrimination between classes of persons in the required different usage of application forms and better facilitate competition between different categories of Applicant by ensuring that the potential delay identified is removed from the application process.	

Details of Proposer: Organisation's Name:	National Grid Electricity Transmission plc
Capacity in which the Amendment 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:	Alex Thomason National Grid Electricity Transmission plc 01926 656379 Alex.thomason@uk.ngrid.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Carole Hook National Grid Electricity Transmission plc 01926 654211 Carole.hook@uk.ngrid.com
Attachments (Yes): If Yes, Title and No. of pages of each Attachment: Proposed revised Exhibit B to the CUSC (change marked). 19 pages.	