CUSC Amendment Proposal Form	**CAP:070**

Title of Amendment Proposal:

Short Term Firm Access Service

Description of the Proposed Amendment *(mandatory by proposer)*:

It is proposed to introduce amendments to the Transmission Access arrangements for effect beginning the winter of 2004/5. The proposed changes would introduce a short term finite firm access service on the electricity transmission system.

The short-term firm product would be available such that Users can request a short term increased TEC, otherwise known as Short Term Transmission Entry Capacity (STTEC), which would nominally be available for a period of four weeks duration. Users can request the STTEC not less than six weeks prior to the period of use and NGT will confirm at four weeks ahead of use whether the request has been successful. If the request is authorised by NGT the Users can generate against this access right on a firm basis. A charging methodology will be required to support the product which could be based on sub-annual TNUoS. For instance, four weeks STTEC could attract a proportion of the applicable annual TNUoS rate.

A more detailed description of the proposal is attached.

Description of Issue or Defect that Proposed Amendment seeks to Address *(mandatory by proposer)*:

Circumstances may arise where it is considered beneficial, both commercially for the respective parties and to enhance system security, to generate in excess of evergreen (long term) TEC. However, at present generators can only generate in excess of their TEC under emergency instruction. Users can apply to increase their TEC at any time in the year but if the application is granted the additional TEC will confer long term rights and would attract annual TNUoS charges.

In order to lower any potential barrier to entry for short term use of capacity and enhance system security it is proposed to introduce a short-term firm finite access product such that generators, subject to NGT authorisation, are able to generate above their existing evergreen TEC on a short-term basis. The product should enable Users to generate for sub-annual periods without necessarily incurring annual TNUoS charges and therefore may provide an incentive for otherwise unavailable plant to generate. The product could also provide a means to utilise capacity which may otherwise have been unavailable under the existing access arrangements whilst using existing transmission assets.

Impact on the CUSC *(this should be given where possible)*:

It is anticipated that the above changes will impact on Sections 2,3,5,6,9,11

Impact on Core Industry Documentation *(this should be given where possible)*:

The changes may impact on the Grid Code.

Although not a core industry document, the above changes will impact on NGT's Use of System Charging Methodology

Impact on Computer Systems and Processes used by CUSC Parties *(this should be given where possible)*: The Charging & Billing System will be impacted.
Details of any Related Modifications to Other Industry Codes *(where known)*: CAP068: Competing Requests for TEC
Justification for Proposed Amendment with Reference to Applicable CUSC Objectives** *(mandatory by proposer)*: Promoting more efficient use of the transmission system enables National Grid to more easily and efficiently discharge its obligations under the Act and the Transmission Licence and fulfil its obligations to facilitate competition in the generation and supply of electricity.

Details of Proposer: Organisation's Name:	National Grid
Capacity in which the Amendment is being proposed: (i.e. CUSC Party, BSC Party or "energywatch")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	Andy Balkwill National Grid Transco 01926 655998 **andy.balkwill@ngtuk.com**
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	Russell Cooper National Grid Transco 01926 656144 russell.cooper@ngtuk.com
Attachments (Yes/No): Yes **If Yes, Title and No. of pages of each Attachment:** Detailed Description of the Proposal for a Short Term Firm Access Service	

Notes:

1. Those wishing to propose an Amendment to the CUSC should do so by filling in this "Amendment Proposal Form" that is based on the provisions contained in Section 8.15 of the CUSC. The form seeks to ascertain details about the Amendment Proposal so that the Amendments Panel can determine more clearly whether the proposal should be considered by a Working Group or go straight to wider National Grid Consultation.

2. The Panel Secretary will check that the form has been completed, in accordance with the requirements of the CUSC, prior to submitting it to the Panel. If the Panel Secretary accepts the Amendment Proposal form as complete, then he will write back to the Proposer informing him of the reference number for the Amendment Proposal and the date on which 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, then he may reject the Proposal. The Panel Secretary will inform the Proposer of the rejection and report the matter to the Panel at their next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform the Proposer.

   The completed form should be returned to:

Richard Dunn
Panel Secretary
Commercial Development
National Grid Transco plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick, CV34 6DA
Or via e-mail to: CUSC.Team@uk.ngrid.com

(Participants submitting this form by email will need to send a statement to the effect that the proposer acknowledges that on acceptance of the proposal for consideration by the Amendments Panel, a proposer which is not a CUSC Party shall grant a licence in accordance with Paragraph 8.15.7 of the CUSC. A Proposer that is a CUSC Party shall be deemed to have granted this Licence).

3. Applicable CUSC Objectives** - These are defined within the National Grid Company Transmission Licence under Section C7F, paragraph 15. Reference should be made to this section when considering a proposed amendment.

Detailed Description of the Proposal for a Short Term Firm Access Service

1. Introduction

1.1. NGC has accepted a commitment, described in Ofgem's final SO proposals for 2003/4, to review the firm access rights to Transmission Entry Capacity (TEC) on the electricity transmission system

1.2. At present a breach of TEC is a breach of CUSC and also a breach of the Generator's licence. It is not a Breach of CUSC if a breach of TEC occurs under an Emergency Instruction.

1.3. Circumstances may arise where it is considered beneficial, both commercially for the respective parties and the end consumer and to enhance system security, for generators to increase their access to the system. The present process only allows for an evergreen right for any increase in TEC, whereas, in these circumstances, a short term increase may be appropriate.

1.4. In order to address these circumstances, and for the purposes of wider system benefits and to facilitate the return to service of otherwise unavailable plant, it is proposed to introduce a short term firm access product such that generators are able to request a short term increased TEC, otherwise known as Short Term Transmission Entry Capacity (STTEC).

1.5. The short term firm product is being developed such that Users can request STTEC not less than six weeks ahead of the period of use and NGT will confirm at four weeks ahead of use whether the request has been successful. Requests can be on a rolling basis i.e. Users can request capacity for any four week period (beginning on a Monday) provided that the request is made at least six weeks ahead of use. Requests will be assessed on a first come first served basis. If NGT authorises the request Users may generate against this access right on a firm basis for the authorised period.

1.6. It is anticipated that this service will be available beginning the winter 2004/5.

2. Definition

2.1. Short Term Transmission Entry Capacity (STTEC) will be available for a period of four weeks, the period starting on a Monday

2.2. The request will be ahead of the period of use i.e. at least six weeks notice is required ahead of the requested start date and will allow 10 Business Days for the assessment of requests

2.3. Users can request STTEC in any four week period subject to the notice periods and provided that the period does not straddle the start of the annual TNUoS charging period (1 April)

2.4. The short term product, consistent with CAP043, shall be deemed firm for the nominated period

2.5. Users will not have any prevailing rights i.e. requests will be considered, and if appropriate, authorised on a case by case basis with no rights carrying over from previous authorised requests

2.6. Users must have the appropriate level of CEC[1]

2.7. TEC plus STTEC shall not exceed total station CEC (or equivalent for interconnectors)

2.8. Users will request the service and NGT shall consider and if appropriate authorise the request in accordance with procedures determined by NGT

2.9. Users will only have a right to the service if authorised by NGT having considered system capability [given operational considerations and the Security and Quality of Supply Standards]

2.10. Users shall indicate the minimum and maximum level of STTEC (at a station level) in MW that is requested (see Section 4)

2.11. The level (maximum and minimum) of STTEC that is requested shall be a uniform amount for the entire four week period

2.12. Requests will be assessed on a first come first served basis (see 4.6)

2.13. Users will not receive compensation if the request to buy the STTEC is not granted

2.14. Payment for STTEC will be required regardless of actual use.

2.15. Generation volumes above the sum of TEC and STTEC will be in breach of CUSC.

[1] Embedded generators must have the relevant connection capability with the distribution network operator

3. Requests

3.1. Requests for STTEC shall be not less than six weeks ahead of the start of the period of use

3.2. Requests will be to the Customer Agreements Manager, NGT via e-mail (to an e-mail box address)

3.3. Provided requests for STTEC has been in accordance with the relevant provisions NGT will confirm and authorise the request, if appropriate, no later than four weeks prior to the start of the period of use

3.4. Requests shall be subject to an administration fee

3.5. If the request is not authorised the fee shall not be refundable

4. Authorisation Process

4.1. NGT will consider the request against the available system capability given operational considerations and obligations under the Security and Quality of Supply Standards

4.2. The requests for STTEC will be authorised at a level at or above the minimum indicated level of STTEC requested and at or below the maximum level indicated level of STTEC requested. Subject to the maximum level of STTEC requested NGT will aim to give the highest level possible subject to system capability.

4.3. Requests that are authorised shall be at a uniform amount for the entire four week period

4.4. STTEC shall not be authorised if the amount of STTEC that could be authorised is less than the minimum level of STTEC requested

4.5. No request for STTEC will be considered if the request leads to total TEC plus STTEC exceeding total station CEC

4.6. Requests will be assessed on a first come first served basis i.e. the requests for a four week period starting on the earliest date will be considered first. Where there is more than one request for the same four week period, requests submitted at the earliest time will be considered first.

4.7. Provided the other provisions are met NGT will provide a response by e-mail to the User no later than four weeks ahead of the period of use.

4.8. Information on the applications received and the level of STTEC authorised will be published 4 weeks ahead of the period of use after the Users have been notified

5. Charging

5.1. A charge for the STTEC will be determined by a charging methodology.

5.2. The proposed charge rate may be based on a sub-annual TNUoS charge, for instance the charge for four weeks STTEC could be a proportion of the applicable annual zonal TNUoS charge.

5.3. For example, previous analysis in charging modification (UoSCM-M-11) showed that 90% of the annual charge was attributed to the peak capacity period. If the peak period is considered as November to February (consistent with the period that the triad demand can occur), a period of 18 weeks, then a charge for 20% for the four week period could be reasonable given that we would expect that the product is most likely to be used in this period. However, this would be subject to a separate charging consultation process which will run in parallel with the CUSC amendment process.

5.4. The proposed approach for determination of transmission charges for short term firm access will only apply for BM units in positive charging zones. A zero price for the product may apply in negative charging zones.

5.5. An administration fee for requests will apply which will be set on a broadly cost reflective basis

6. Billing

6.1. The chargeable quantity of STTEC will be the level of STTEC authorised by NGT and notified to the User.