

STC Amendment Proposal Form **CA019**

Title of Amendment Proposal

Assessment of the Impact of Certain Embedded Power Stations

Description of the Proposed Amendment *(mandatory field)*

This Amendment Proposal seeks to establish a process in the STC for the assessment of the impact on the GB Transmission System of certain Embedded Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner.

In the event that a requirement for reinforcement of the transmission system in the licensed area of a Transmission Owner was identified in this initial assessment, notice would be given to National Grid by the Transmission Owner, and then to the User (in this case, the relevant Distribution Network Operator) by National Grid. Similar notice would also be given when such works have been completed (and that energisation of the Power Station would then be permitted).

This Amendment Proposal reflects the Working Group Alternative Amendment 1 to CUSC Amendment Proposal CAP097, which seeks to clarify National Grid's requirements of Small and Medium Embedded Power Stations as GBSO. SP Transmission is also proposing an Alternative Amendment to CA019, which would facilitate the revised process proposed by the CAP097 Consultation Alternative Amendment 1 proposed by CE Electric UK.

It should be noted that National Grid put forward CA017 and an alternative proposal to back of the requirements of the CAP097 proposals Working Group Alternative 1 and Consultation Alternative Amendment 1 respectively. While SP Transmission have worked with National Grid in discussing their CA017 proposals, SP Transmission consider the CA017 proposals deficient in two respects

- They do not facilitate payment by National Grid to the TOs for work done in assessing embedded connections, and
- Their treatment of the TOs' obligations following the submission of a TO Statement of Works Notice appears to be inconsistent with the TOs' licence obligations.

National Grid is also concurrently proposing CA016 (Modification Applications in Respect of Certain Embedded Power Stations), and it is envisaged that, were the Authority to approve either the CAP097 original proposal or one of the alternatives to CAP097, the Authority would also approve a version of CA016, CA017 or CAP019 consistent with this decision (and reject the other STC Amendment Proposals).

Description of Issue or Defect that Proposed Amendment seeks to Address *(mandatory field)*

In order to facilitate the process proposed by CUSC Amendment Proposal CAP097 Working Group Alternative Amendment 1, an STC process needs to be established to allow for the assessment of relevant Power Stations in the licensed area, or within the boundary of influence, of a Transmission Owner. Notice would need to be given by the Transmission Owner to National Grid whether or not reinforcement to the transmission system was required, and again when such works were complete.

In the CA019 proposals it is clear that National Grid must make payment to the TOs for carrying the assessment. Additionally, it is clear that should Transmission Infrastructure Works be required – then National Grid are required to update the Planning Assumptions to take account of whether and when the embedded Power Station would be built. The TOs respond by updating their Transmission Plans.

In the CA019, there is more explicit treatment of the obligation on the Transmission Owners to notify National Grid of the timescales involved in the completion of such works, and also of any changes to these timescales (although such details are implicit within the Transmission Owners Investment Plans).

Impact on the STC *(information should be given where possible)*

Changes to Section D and to Schedule 3, and the creation of a new Schedule 13, would be required.

Impact upon the STCPs

Changes to STCP 16-1 Investment Planning and STCP18-2 Use of System Application would be required. Such changes will be progressed through the normal STCP Amendment Process in the event that CA016 is approved.

Impact on other frameworks e.g. CUSC, BSC *(information should be given where possible)*

None, although the proposal is related to CUSC Amendment Proposal CAP097.

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

None

Impact on Computer Systems and Processes used by STC Parties *(information should be given where possible)*

None

9. Details of any Related Modifications to Other Industry Codes *(where known)*

None

10. Justification for Proposed Amendment with Reference to Applicable STC Objectives *(mandatory field)*

Establishment of a process in the STC to allow for the assessment of the impact of certain Small and Medium Embedded Power Stations would aid licensees in the development, maintenance and operation of an efficient, economical and coordinated system of electricity transmission.

Details of Proposer

Organisation's Name **SP Transmission Ltd**

Capacity in which the Amendment is being proposed

(i.e. STC Party or other Party as designated by the Authority pursuant to STC section B7.2.2.1 (b))

STC Party

Details of Proposer's Representative

Name

Organisation

Telephone Number

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Details of Representative's Alternate

Name

Organisation

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Attachments (Yes/No): Yes (as per attachment to CA017)

Summary of CAP097 Proposals

Original Proposal

CUSC Amendment Proposal CAP097 was proposed by National Grid, and was subsequently considered by a Working Group. The CAP097 consultation began on 10th November 2005, with a closing date of 12th December 2005. Broadly, the original CAP097 amendment proposes that:

Any Transmission Works triggered by an Embedded Medium Power Station or relevant Embedded Small Power Station would be identified subsequent to the receipt of a "Request for a Statement of Works" from the User, in this case the relevant Distribution Network Operator (DNO).

The DNO would be prevented from energising such Power Stations until National Grid has confirmed it has completed any identified Transmission Works.

Where Transmission Works are necessary, the DNO would be required to provide financial security for Final Sums through the construction phase of any such Works.

Relevant Embedded Small Power Stations would be those that are:

30MW and above in capacity; AND
connected to the same voltage as the LV side of the relevant GSP.

Under this original proposal, a DNO would also be permitted to initiate the CAP097 process regardless of the size of the embedded Power Station. This would be discretionary on the part of the DNO however.

Following receipt of the Request for a Statement of Works, National Grid would notify the User within 28 days whether works on the transmission system were required. If works were required, the User could notify National Grid within 5 Business Days that it wished to withdraw the request. If the User does not provide such notice, the request will then be deemed to be a Modification Application. National Grid would then have until 3 months from receipt of the Request for a Statement of Works to make a Modification offer to the User.

Working Group Alternative Amendment 1

WGAA1 was proposed by CE Electric UK, and proposes a mechanism whereby the User (the DNO) would notify National Grid of any Medium Power Stations connecting to its distribution system. National Grid would notify the User within 28 days whether works on the transmission system were required, and, if so, would then notify the User when such works had been completed. Small Power Stations would not be covered by this process.

Working Group Alternative Amendment 2

WGAA2 was proposed by CE Electric UK and United Utilities, and is closely based on the original proposal. However, it would extend the period in which the User could notify National Grid that it wished to withdraw the Request for a Statement of Works (i.e. did not want to proceed with a full Modification Application) from 5 Business Days to 90 Business Days.

Consultation Alternative Amendment 1

CAA1 was proposed by CE Electric UK, and builds on the process first proposed by WGAA1. However, National Grid would additionally have to notify the User within 28 days of the timescales for the completion of any works, and would also have to notify the User if the proposed date for completion of such works subsequently changed.

Consultation Alternative Amendment 2

CAA2 was proposed by EDF Energy, and is closely based on the original proposal. However, it would not automatically apply to Small Power Stations (although it would retain the discretionary element of the original). Also, the User would have to confirm to National Grid within 5 Business Days that it wished to proceed with a Modification Application (as opposed to not withdrawing, as under the original proposal).

Consultation Alternative Amendment 3

CAA3 was proposed by EDF Energy, and is closely based on WGAA2. However, it would not automatically apply to Small Power Stations (although it would retain the discretionary element of WGAA2). Also, the User would have to confirm to National Grid within 90 Business Days that it wished to proceed with a Modification Application (as opposed to not withdrawing, as under WGAA2).

Consultation Alternative Amendment 4

CAA4 was proposed by SP Transmission & Distribution, and is closely based on WGAA2. However, it would not automatically apply to Small Power Stations (although it would retain the discretionary element of WGAA2); nor would it apply to any Medium Power Stations under 50MW (i.e. those in Scotland).