

Alison Kay
CUSC Amendments Panel
Chair

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To whom it may concern,

Re: CAP169 Provision of Reactive Power from Power Park Modules, Large Power Stations and Embedded Power Stations

CAP169 was proposed as an Amendment Proposal to the CUSC by National Grid in February 2009¹. The proposal seeks to introduce a number of changes to the Reactive Power Provisions within the CUSC.

In summary, CAP169 seeks to:

1. Amend the CUSC provisions to accommodate Reactive Power from Power Park Modules in line with the Grid Code;
2. Amend the CUSC provisions regarding conclusion of Mandatory Service Agreements (MSAs) to ensure that there is an obligation on National Grid to conclude MSAs with all Large Power Station upon request (by extending the existing provisions which only oblige conclusion of MSAs with those with a capability above 15Mvar);
3. Introduce a reduced payment mechanism for Embedded Power Stations which are under connection restriction from the Distribution Network Operators which prevent despatch instruction from National Grid through 0Mvar – the reduced payment mechanism proposed is 20% of the total default payment calculation for a non-restricted service.

CAP169 was considered within a Working Group, with three Working Group Alternative Amendments (WGAAAs) being developed. These alternatives provide different options relating to point 3 above, namely:

- o WGAA1 – extends point 3 to cover long term operational restrictions as well as connection restrictions;
- o WGAA2 – seeks to remove point 3 above in its entirety from the proposal;
- o WGAA3 – seeks to amend point 3 to provide £0 (zero) payment for the specified connection and long term operational restrictions.

CAP169 (and the three WGAAAs) were consulted on by the Company for a period of three weeks. In response to the consultation by the Company only four responses were received.

¹ Information on CAP169 can be found using the following link:

<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/amendments/currentamendmentproposals/>

The CUSC Amendments Panel was concerned by the lack of responses, given that a number of parties have the potential to be impacted by this Amendment Proposal, namely:

- Power Park Modules;
- Large Power Stations with a reactive capability below 15Mvar;
- Embedded Power Stations.

The CUSC Amendments Panel undertook a recommendation vote on CAP169 on the 30th of October 2009. During this vote the CUSC Amendments Panel requested that a note be issued inviting any interested party who did not respond to the Company consultation to make a representation of their views to the Authority. This note seeks to raise awareness of the Amendment Proposal CAP169, and invite any interested party to directly notify the Authority of any comments they may have on the Amendment Proposal. If you have do wish to provide any comments to the Authority please direct them to industrycodes@ofgem.gov.uk.

Alternatively if you have any questions on the Amendment Proposal please contact Carole Hook on 01926 654211 or carole.hook@uk.ngrid.com.

Yours sincerely

Alison Kay (by email)