

# CAP152/153/154 – Revision of CUSC Exhibits B, D and F

---

*CUSC Panel*  
*29<sup>th</sup> June 2007*

# Defect

---

- ◆ There are a number of inconsistencies that have been picked up in association with the key application forms detailed in Exhibit B, D and F and the areas of the CUSC that deal with user applications
- ◆ The suggested revisions include for example revisions to contact telephone numbers/departments, reference to the Company Name (NGET) etc
- ◆ The changes focus on the details of the application forms are to provide greater clarity in the information that the Users are required to complete prior to the submission of their application.

# Proposed Solution

---

- ◆ Proposed revisions as detailed in the drafting of changes to Exhibit B, D and F

# Applicable Objectives and Recommendation

---

## Objectives

- ◆ CAP better facilitates CUSC Applicable Objectives (a) and (b) by ensuring that the application process is able to progress more smoothly from a users and company perspective leading to greater efficiency

## Recommendation

- ◆ National Grid recommends that CAP152/153/154 should proceed direct to consultation.

# CAP151 – Construction Agreements Works Register

---

*CUSC Panel*

*29<sup>th</sup> June 2007*

# Background

---

- ◆ CAP 151 proposes an amendment to the CUSC place an obligation on the Company to establish and maintain a register of Transmission Reinforcement Works, until such works are completed.
- ◆ It is proposed that this register will provide information contained in Construction Agreements including: the Name of Generator, Connection Site/Completion Date and Transmission Reinforcement Works

# Defect

---

- ◆ A certain amount of information is contained within table 6.2 of the Seven Year Statement however this information is limited and not contract specific.
- ◆ There is currently limited information on the works required to connect any generation projects which makes it difficult for developers and potential developers to determine the impact of any new application or the consequence/opportunity when projects fall away

# Proposed solution

---

- ◆ It is proposed to address this issue by maintaining a register of Transmission Reinforcement Works set out in Construction Agreements until such works are completed.
- ◆ The register will provide a more comprehensive and timely picture of the works required to connect a certain generation project and their status
- ◆ The Works Register will be published on the Company Website within 10 business days of completing the agreements.

# Applicable Objectives and Recommendation

---

## Objectives

- ◆ CAP151 better facilitates CUSC Applicable Objectives as follows by:  
providing Users with a more comprehensive and timelier picture of GB transmission capacity and identifies opportunities to connect earlier as a result of changes to the contracted background. If implemented the proposed changes will further the efficient use of the system and better facilitate competition in generation. Consequently, better facilitating both CUSC Applicable Objective's (a) and (b).

## Recommendation

- ◆ National Grid recommends that CAP151 should proceed to Working Group

# CAP 150 Capacity Reduction

---

# Overview

---

Amend the CUSC to enable The Company to:

- ◆ Request information related to capability of project to meet milestones dates.
- ◆ Propose changes to project capacity and works.
- ◆ Recover costs as if change were a modification application by User.
- ◆ Release capacity to projects able to use it.
- ◆ More efficient utilisation of assets.

# Issue/Defect

---

- ◆ Users have a contracted position that is inconsistent with their Project details (e.g. TEC>>planning consent) or the construction programme.
- ◆ Current remedies not timely - a User can hold onto TEC or capacity until very close to contracted connection date.
- ◆ Current remedies of termination may not be proportionate in all cases.
- ◆ Contractual uncertainty over need for investment
- ◆ May result in inefficient investment
- ◆ The Company is unable to utilise this capacity for other Users in a timely manner

# Proposal

---

- ◆ Right to request information regarding project (e.g. to ascertain reason for discrepancy between TEC and planning consent data)
- ◆ If the inconsistency is not resolved (e.g. by Mod App), then reassess connection agreement
- ◆ The Company would be entitled to vary the bilateral agreement to reduce the User's capacity (TEC or power station capacity in relation to a BELLA) consistent with appropriate information (change to works, TEC etc.)
- ◆ The agreement to vary would also provide for recovery of any costs of abortive works e.g. resulting from the capacity reduction.

# Impact

---

- ◆ **CUSC**

- ◆ New definitions in CUSC Section 11.3 – Definitions.
- ◆ Schedule 2 – Exhibits 1,2,3,5 (BCA, BEGA, CONSAG, BELLA)

- ◆ **Core Industry Documentation**

- ◆ Possible minor consequential changes to the STC (in particular the procedures relating to connection offers, STCP-18).
- ◆ Charging Methodology changes may also be required for abortive works and deemed application fees.

# Justification

---

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

- ◆ Currently Users can hoard capacity until the backstop date.
- ◆ New arrangements would allow The Company to release capacity to Projects that are able to use it and thereby facilitate competition.
- ◆ Improves certainty over the actual capacity connecting + timing
- ◆ Reduces short term attrition
- ◆ Removes potential risk of over investment

*(b) facilitating effective competition in the generation and supply of electricity,*

- ◆ Release of capacity from a Project that is manifestly unable to use it
- ◆ Creates opportunity for Projects able to use capacity to do so.
- ◆ Present arrangements - barrier to entry to new Users (due to hoarding and due to prolonging connection process)

# Cluster Information

Project Name / GB Ref		SHETL-RI-004	SHETL-RI-005	SHETL-RI-006	SHETL-RI-007	SHETL-RI-008	SHETL-RI-009	SHETL-RI-010	SHETL-RI-011	SHETL-RI-012	SHETL-RI-013	SHETL-RI-014
		Project Name	signed		H1							
Project Name	signed	H1										
Project Name	signed	H2			H1	H1						
Project Name	signed	H1	H2	H1		H1						
Project Name	signed		H2	H1								
GB Ref 901	unsigned								H1			
GB Ref 902	unsigned	H1	H2	H1								
Project Name	signed					H1						
Project Name	signed	H2	H2	H2	H1	H2	H1	H1				
Project Name	signed	H1										
Project Name	signed					H2	H1					
Project Name	signed											
GB Ref 903	unsigned	H1	H2	H1								
Project Name	signed	H1										H1
GB Ref 904	unsigned											
Project Name	signed	H1	H1									
Project Name	signed	H2	H2	H2	H2	H2	H1					
Project Name	signed	H2			H1	H2	H1					
Project Name	signed	H2			H1	H2	H1					
GB Ref 905	awaiting offer											
GB Ref 906	awaiting offer								H1			
GB Ref 907	awaiting offer								H1			
GB Ref 908	awaiting offer	H2	H2	H2	H1	H2	H1	H1				
GB Ref 909	awaiting offer	H2			H1	H2	H1					
GB Ref 910	awaiting offer					H1						
GB Ref 911	awaiting offer	H2	H2	H2	H1	H2	H1	H1				