

## DCUSA Change Proposal Form

This form is provided in accordance with Clause 10.5 of the DCUSA.

Please return completed forms to [DCUSA@electralink.co.uk](mailto:DCUSA@electralink.co.uk) for assessment by the DCUSA Panel.

Document Control	
CP Status	Standard / <del>Urgent</del>
Date Submitted	08/03/10
CP Number	<i>DCP 062</i>
Version Number	V1.0
CP Ref	<i>03/10</i>
Attachments	None

Originator Details	
Company Name	National Grid
Originator Name	Tom Ireland
Category	OTSO
Email Address	<a href="mailto:Thomas.ireland@uk.ngrid.com">Thomas.ireland@uk.ngrid.com</a>
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Change Proposal Details	
CP Title	Grid Code Compliance
Impacted parties	Distributor / <del>Supplier</del> / <del>HDNO</del> / DG / OTSO / <del>Other (please specify)</del>
Impacted Clause / Schedule	53 and 60.
Authority Consent Required	Yes / <del>No (please give reason)</del>
Summary of Change	<p>This CP is raised as a consequential change to Grid Code Consultation proposal A/10, published on 1st February 2010. A/10 seeks to formalise a compliance process within the Grid Code for all new generators and Direct Current converter stations (DCCS) to improve consistency and visibility of the existing processes. The Grid Code Compliance Working Group identified consequential changes to a number of industry codes, including the CUSC, DCUSA and the Distribution Code.</p> <p>If implemented, without consequential changes to the CUSC and DCUSA also being made, A/10 would leave National Grid and Licence Exemptible Embedded Medium Power Stations (LEEMPS) and DCCS with potentially unlimited liabilities to each other. This CP seeks to amend the DCUSA to ensure that the existing industry position on limiting liabilities is retained. The specific changes required are:</p> <p>a) DCUSA Parties would waive the right to claim directly against CUSC parties, including National Grid, for breach of the CUSC;</p>

	<p>b) DCUSA Parties would instead pursue a claim against the Distribution Network Operator to whose system the LEEMPS is connected, who in turn would claim against the CUSC party for physical damages under the CUSC.</p> <p>c) Any claim by DCUSA Parties would be limited to a maximum of £1 million, in line with the terms of the DCUSA (in force at the date of raising this Amendment Proposal).</p>
Related Change Proposals	<p><i>This CP is consequential to Grid Code Consultation proposal A/10 – details can be found at:</i></p> <p><a href="http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/">www.nationalgrid.com/uk/Electricity/Codes/gridcode/consultationpapers/</a></p>

**Change Proposal Intent**

*Please set out the intent of the CP and the issue it is seeking to address*

If implemented, Grid Code Amendment A/10 would introduce new rights and obligations for LEEMPS, DCCS and National Grid with regard to the Grid Code compliance process, which could lead to parties becoming exposed to unlimited liability to each other as a result of actions taken through the compliance assessment process. This is because there are no contractual agreements between these parties nor any common industry code to which all of these parties are signatories. Therefore, upon the implementation of A/10 without consequential code changes, LEEMPS, DCCS and National Grid could seek to bring unlimited claims in tort against each other for the consequences of each party's acts and omissions.

This would not be consistent with the accepted industry practice where liabilities are limited and dealt with in accordance with the relevant Codes (CUSC and DCUSA).

**Business Justification & Market Benefits**

Implementation of this CP would avoid discrimination between persons or classes of person, should Grid Code proposal A/10 also be implemented. If the consequential DCUSA Change Proposal was not made, the liabilities faced by LEEMPS, DCCS and National Grid post-implementation of A/10 would be unlimited and not consistent with the established industry position. This is particularly the case with new entrants to the market who may see such a liability as a barrier to entry.

**Proposed Implementation Date**

*Please specify and give a reason if proposed date is outside the release schedule (February / June / November)*

The proposed changes are consequential to Grid Code modification A/10 and must be implemented alongside other consequential changes to the Distribution Code and CUSC (CUSC Amendment Proposal 181 has been raised). The close interdependency between these changes means that their development and implementation should be performed in parallel to ensure all aspects are considered together.

As a result of the differing code governance procedures and timescales for each of the industry codes, precise implementation timescales can only be finalised once the change process is further undertaken.

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**Proposed Solution**

*Please insert proposed change marked legal drafting here. The Change Proposal Intent will take precedence in the event of any inconsistency*

**DCUSA Objectives**

*Please state which DCUSA Objective(s) will be better facilitated by this CP and give supporting reasons*

The implementation of this Change Proposal ensures that LEEMPS are not subject to unlimited liability as a result of the Grid Code Compliance proposals and that established industry liabilities are maintained. This better facilitates the objection of:

- The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity;

**DCUSA Objectives for Change Proposals to Charging Methodologies only**

*Please state which DCUSA Objective(s) will be better facilitated by this CP and give supporting reasons*

It is not anticipated that this Change Proposal will have any net effect on the Charging Methodologies.

**Environmental Impact**

*Please indicate whether you consider that there may be any environmental impact as a consequence of this CP being implemented*

It is believed that this Change Proposal has a zero environmental impact.