

Offshore Electricity Transmission - A further Joint Ofgem/DECC Regulatory Policy Update
E.ON UK Response
Appendix

Proposed BSC for treatment of Exemptable Generation connected to Embedded Transmission

E.ON's proposed arrangements for Exemptable Generation connected to an embedded offshore transmission network requires a number of changes to the present wording of Section K as well as definition changes in Section X Annex X-1. As there will potentially be two cases, one where the generation is Exemptable and one where it is not, it is cleaner to introduce two sets of definitions for each instance.

Case 1, Exemptible Generator connected to Offshore network. Where the generator connected to the offshore transmission system is Exemptable it is proposed that the connection between the Offshore transmission network and the distribution network is treated as a Boundary Point (the commercial boundary where Exports are measured). In this instance, the Offshore network is a means to convey the output of the generator to the commercial boundary, in the same manner as a power station's private network.

Case 2, Licensable Generator connected to Offshore network. For the case where the generator is licensable, the connection between the Offshore transmission network and the distribution network is treated as a System Connection Point (a point between networks). In this instance, the connection point is simply part of the Total System and is a point where flows onto the distribution system from the wider transmission system are measured (for example for the purpose of calculating transmission losses).

Various definitional changes are required in addition to those already proposed for Offshore Transmission:

For Case 1 the connection point between the offshore network and the distribution system needs to be defined.

Exemptable Offshore Transmission Network	means any discrete part of the Offshore Transmission System that is used solely to connect an Exemptable Generating Plant to a Distribution System
Exemptable Offshore Transmission Connection Point	means a Boundary Point at which an Exemptable Offshore Transmission Network is connected to a Distribution System

For Case 2 a similar connection point definition is required and it is suggested that this is the same as proposed in the consultation paper. However, additional text is required to ensure that this definition excludes an Exemptable Offshore Transmission Connection Point.

Offshore Transmission Connection Point	means a Systems Connection Point at which the Offshore Transmission System is connected to a Distribution System, but does not include an Exemptable Offshore Transmission Connection Point
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This definition of Grid Supply Point below has already been proposed and should be maintained.

Grid Supply Point	means a System Connection Point at which the Transmission System is connected to a Distribution System and includes an Offshore Transmission Connection Point ;
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Settlement metering is required at Boundary Points where Exports and Imports take place. Exports and Imports occur where electricity flows to or from the Total System. Therefore, to allow Exports and Imports to take place at the Exemptable Offshore Transmission Connection Point the Exemptable Offshore Transmission Network has to be excluded from the definition of Total System.

The following definition change is proposed.

Total System	means the Transmission System (excluding any Exemptable Offshore Transmission Network) and each Distribution System;
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Changes to Section K

Another condition for an Export of Import to take place is that it should flow from the Plant or Apparatus of a Party to or from the Total System. Therefore, the Exemptable Offshore Transmission Network has to be added to the list of such Plant or Apparatus. This is contained in Section K 1.1.4, which also contains the definitions of Import and Export.

1.1.4 For the purposes of the Code:

- (a) in relation to the terms Export and Import, references to the Plant or Apparatus of a Party shall be treated as including:
 - (i) the premises of a Customer supplied by that Party;
 - (ii) Plant and Apparatus of a Third Party Generator for whose Exports that Party has elected to be responsible in accordance with paragraph 1.2.2(a)(ii)(2);
 - (iii) Plant or Apparatus (whether or not owned or operated by that Party), not forming part of the Total System, by which electricity is transported from the Total System to premises supplied by the Total System or (as the case may be) to the Total System from Generating Plant providing electricity to the Total System;
 - (iv) an Interconnector in relation to which that Party is an Interconnector User;
 - (v) [in relation to an Exemptable Offshore Transmission Connection Point, the Exemptable Offshore Transmission System connected at that Boundary Point.](#)
- (b) subject to paragraphs (c) (d) and (e), unless otherwise provided:
 - (i) "**Export**" means, in relation to a Party, a flow of electricity at any instant in time from any Plant or Apparatus (not comprising part of the Total System) of that Party to the Plant or Apparatus (comprising part of the Total System) of a Party;
 - (ii) "**Import**" means, in relation to a Party, a flow of electricity at any instant in time to any Plant or Apparatus (not comprising part of the Total System) of that Party from the Plant or Apparatus (comprising part of the Total System) of a Party;

Once the conditions have been established so that an Export or an Import can take place at an Exemptable Offshore Transmission Connection Point, the responsibilities associated with those Exports and Imports are outlined in paragraph 1.2 of Section K. The Party responsible for the Export in each of these instances is defined in paragraph 1.2.2. It is proposed that the provisions relating to onshore Exemptable Generating Plant are extended offshore.

1.2.2 For the purposes of the Code:

(a) the Party "**responsible**" for an Export:

(i) in the case of an Export from a Generating Plant, subject to paragraph (ii), shall be the Party which generates electricity at that Generating Plant;

(ii) in the case of an Export from Exemptable Generating Plant [\(including an Export from an Exemptable Offshore Transmission Network\)](#) :

(1) where the person which generates electricity at that Generating Plant is a Party and has elected (by applying to register Metering System(s) for that Generating Plant in accordance with paragraph 2) to be responsible for such Export, shall be that Party;

(2) subject to paragraph 2.5, where the person (whether or not a Party) which generates electricity at that Generating Plant has for the time being authorised a Party to accept responsibility for that Export, and that Party has elected (by applying to register Metering System(s) for that Generating Plant in accordance with paragraph 2) to be so responsible, shall be that Party;

provided that no Party shall be so responsible unless it has so elected;

(iii) in the case of an Export from an Interconnector, shall be determined in accordance with paragraph 5;

(iv) in any other case, shall be determined by the Panel after consultation with the Authority, on application of any Party;

A similar responsibility for Case 2 (licensable generation) has to be established as per the drafting in the consultation paper in paragraph 1.3.

1.3 Obligations of Parties in relation to Systems Connection Points

1.3.2 For the purposes of paragraph 1.3.1, the Party responsible for a Systems Connection Point shall be:

- (a) in the case of a Grid Supply Point [other than an Offshore Transmission Connection Point](#), the Distribution System Operator whose System is directly connected to the Transmission System at that point;
- (b) in the case of a Distribution Systems Connection Point, the Distribution System Operator nominated in accordance with paragraph 1.3.3; [and](#)
- (c) [in the case of an Offshore Transmission Connection Point, the Transmission Company.](#)

Then it is important to ensure that Exemptable Generation connected to the distribution system onshore are treated the same as those embedded onshore. Therefore, they should be permitted to be registered in SMRS and not be compelled to register in CMRS. The present provisions require all generation connected to the Transmission System (which includes Exemptable Offshore Transmission Networks) to be registered in CMRS. The following change to paragraph 2.1.1 of Section K would rectify this:

2.1 Registration in CMRS

2.1.1 A Boundary Point Metering System shall be registered in CMRS where:

- (a) the Metering Equipment measures quantities of Imports to or Exports from Plant or Apparatus which is directly connected to the Transmission System ([except where such Imports and Exports arise at an Exemptable Offshore Transmission Connection Point](#)); or
- (b) the Metering Equipment measures quantities of Imports to or Exports from a Licensable Generating Plant; or
- (c) the Metering Equipment measures quantities of Imports to or Exports from an Interconnector; or
- (d) the Panel has determined, upon the application of any Party, that there are special circumstances by reason of which such Metering System should be registered in CMRS.

2.1.2 Without prejudice to paragraph 2.1.1, a Boundary Point Metering System may be registered in CMRS where the Metering Equipment measures quantities of Exports, or Exports and Imports, at the Site of an Exemptable Generating Plant.

We agree that all other changes outlined in the consultation would also be required. The above suggested changes have not been subject to a stringent legal review. We assume that Elexon's lawyers would carry out such an exercise before any such drafting was accepted into the Code.