

Agenda

Meeting name	CMP275 Workgroup- Meeting 2	
Date of meeting	15 March 2017	
Time	10.00- 15.00	
Location	TBC	
Dial in:	Phone: 0808 238 9819	Participant code: Part: 81833258#

Item	Topic	Lead
1	Introduction and meeting objectives	RP
2	Review of Actions	CW
3	Proposer's confirmation on the scope of the defect/enduring process for procuring ancillary services	IT
4	Consider the legal text changes required	IT
5	Review of the services matrix	AS
6	Strawman on how the overarching principle could be applied to current and future services	IT
7	Agree scope of work and analysis required for future Workgroup Meetings	All
8	Agree scope of work and analysis required for future Workgroup Meetings	All
9	Agreement of agenda items for WG Meeting 3	All

Action Log:

Action No	WG meeting raised	Action Owner	Action	Due Date	Status
1	WG 1	AS	Review and inform the WG on the spread of STOR providers for the season 8.5.	07/03/17	Open
2	WG 1	AS	NGRID to clarify Black Start contracts and what % is linked to OCGTs and provide detail, if possible, on how costs are distinguished e.g. capital costs?	07/03/17	Open
3	WG 1	AS	Confirm the steps that National Grid control will take when tendering for a service to ensure that a Party does not tender for a service that is mutually exclusive when already associated to an existing service.	07/03/17	Open
4	WG 1	AS	Review the relevant contract clauses re not being paid twice. Confirm to the WG where would these be and do they differ for each service e.g. does the STOR framework contain a generic statement?	07/03/17	Open
5	WG 1	IT	Confirm what the definition of "availability" should cover in the context of the defect raised under CMP275.	07/03/17	Open
6	WG 1	IT	Confirm how the Proposal will deal with overlapping when one service last e.g. 4hrs and the other last 30 mins – what is the time period that the netting should apply to? Clarify if it relates to "availability" or "utilisation".	07/03/17	Open
8	WG 1	AS/IT	Update the Service type matrix and add in any other services	07/03/17	Open
9	WG 1	IT	Confirm the scope of the defect: <ul style="list-style-type: none"> Services to be included and rationale why and how netting would work 	07/03/17	Open
10	WG 1	All	Consider what the unintended consequences could be e.g. Company A can offer 2 services currently but chose now to only enter into 1 if CMP275 is implemented –what are the implications to that other service that now does have capacity secured from Company A	07/03/17	Open
11	WG 1	IT	How could future proofing work and present a strawman on the principles that could be applied and how Future services could be captured and consider how the legal text could be drafted to reflect this.	07/03/17	Open
12	WG 1	IT/AS	Consider the implications of the CLASS project. For example, where there is a single MPAN and two separate legal entities are providing separate services and getting paid for each of these separately. Would this be captured under the defect? How would netting work?	07/03/17	Open
13	WG 1	CW	Update the ToR and re-circulate to WG for comment and provide to the Feb CUSC Panel.	15/02/17	Closed

Terms of Reference:

Specific areas	When addressed
a) Clarify which revenue streams are excluded from mutuality exclusive arrangement ensuring consideration includes the interaction between both the Balancing Mechanism (BM) and Balancing Services.	
b) Demonstrate how this proposal will interact with the existing procurement of services ensuring that this did not lead to over procurement in the market.	
c) Demonstrate how this modification does not discourage providers from tendering for services.	
d) Define the assets affected by the proposal.	
e) Demonstrate that they have considered the impact of wider strategic issues being pursued by the industry in their proposal.	
f) Consider how this modification interacts with Ofgem's Flexibility Call for Evidence which is seeking ways to allow participants to access multiple revenue sources and EU Balancing Code.	
g) Clarify how the proposed changes to the CUSC would impact Distribution Networks.	
h) Ensure individual power stations are not identified within the report.	
i) Define the practical implementation of the solution, so that it is defined for all industry participants i.e. National Grid who will run tenders for the Balancing Services and parties who would like to tender for a Service.	
j) Consideration of the future development of Balancing Services.	

Workgroup proposed timetable

w/c 13 February 2017	Workgroup meeting 1
w/c 13 March 2017	Workgroup meeting 2
w/c 27 March 2017	Workgroup meeting 3
10 April 2017	Workgroup Consultation issued (15 days)
5 May 2017	Deadline for responses
w/c 15 May 2017	Workgroup meeting 4
w/c 5 June 2017	Workgroup meeting 5 (agree WACMs and Vote)

22 June 2017	Workgroup report issued to CUSC Panel
30 June 2017	CUSC Panel meeting to approve WG Report

Post Workgroup modification process

3 July 2017	Code Administrator Consultation issued (15 Working days)
24 July 2017	Deadline for responses
31 July 2017	Draft FMR published for industry comment (5 Working Days)
8 August 2017	Deadline for comments
17 August 2017	Draft FMR circulated to Panel
25 August 2017	Panel meeting for Panel recommendation vote
31 August 2017	FMR circulated for Panel comment (3 Working day)
5 September 2017	Deadline for Panel comment
8 September 2017	Final report sent to Authority for decision
13 October 2017	Indicative Authority Decision due (25 working days)
20 October 2017	Implementation date

Applicable CUSC Objectives:

Use of System Charging Methodology

(a) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;

(b) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);

(c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses*;

(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc. Licence under Standard Condition C10, paragraph 1; and

(e) Promoting efficiency in the implementation and administration of the CUSC arrangements.

*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).