

Workgroup Terms of Reference and Membership

TERMS OF REFERENCE FOR CMP287 WORKSHOP

CMP287 seeks to improve the predictability of TNUoS demand charges by bringing forward the date at which certain parameters used in TNUoS tariff setting (such as demand forecasts) are fixed to allow customer prices to more accurately reflect final TNUoS rates.

Responsibilities

1. The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal **CMP287 Improving TNUoS Predictability through Increased Notice of Inputs Used in the TNUoS Tariff Setting Process** tabled by npower at the Modifications Panel meeting on 20 October 2017.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:

Charging Applicable Objectives

- (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 license 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. License under Standard Condition C10, paragraph 1; and
- (e) Promoting efficiency in the implementation and administration of the system charging methodology.

3. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

Scope of work

4. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Workgroup shall consider and report on the following specific issues:
 - a) Workgroup to consider the decision rationale for rejecting CMP244 and how CMP287 will address these
 - b) Understand the level of fixing in the market place and identify those consumers that would benefit and those that would end up paying more
 - c) Consider any consequential impacts on other Codes
 - d) Consider the impacts on the outcome of the SCR and what the impacts may be in the way that demand is charged and this needs to be factored in and how fits into the TCR and the wider Charging Futures Forum
 - e) Consider any if there are any wider issues to consider e.g. any potential Licence changes
 - f) Consideration of whether or what the transitional arrangements should be put in place.
6. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
7. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.
8. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.
9. All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.
10. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of **15 working days** as determined by the Modifications Panel.

11. Following the Consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

12. The Workgroup is to submit its final report to the Modifications Panel Secretary on **DD MMMM YYYY** for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting on **DD MMMM YYYY**.

Membership

13. It is recommended that the Workgroup has the following members:

Role	Name	Representing
Chairman	NAME	National Grid
National Representative	NAME	National Grid
Industry Representatives	NAME NAME	Company (Proposer) Company
Authority Representatives	NAME	OFGEM
Technical secretary	NAME	National Grid
Observers	NAME	Company

NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

14. The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The agreed figure for CMP287 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.
15. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of

those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise]. There may be up to three rounds of voting, as follows:

- Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;
- Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
- Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

16. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.
17. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.
18. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
19. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

Appendix 1

Proposed CMP287 Timetable

10 Oct 2017	CUSC Modification Proposal submitted
20 Oct 2017	CUSC Modification tabled at Panel meeting
w/c 23 October 2017	Request for Workgroup members (5 Working days)
w/c 20 November 2017	Workgroup meeting 1
w/c 4 Dec 2017 to w/c 23 April 2018	Workgroup meeting 2 – 6
2 May 2018	Workgroup Consultation issued (15 Working Days)
DD MMM YYYY	Deadline for responses
w/c 28 May 2018	Workgroup meeting X (WG review Consultation Reponses)
w/c 11 June 2018 to w/c 9 July 2018	Workgroup meeting X (WG to agree options for WACMs)
19 July 2018	Workgroup report issued to CUSC Panel
27 July 2018	CUSC Panel meeting to discuss Workgroup Report

30 July 2018	Code Administrator Consultation issued (X Working days)
DD MMM YYYY	Deadline for responses
22 August 2018	Draft FMR published for industry comment (X Working days)
DD MMM YYYY	Deadline for comments
23 August 2018	Draft FMR circulated to Panel
31 August 2018	CUSC Panel Recommendation vote
DD MMM YYYY	FMR circulated for Panel comment (X Working days)
DD MMM YYYY	Deadline for Panel comment
7 September 2018	Final report sent to Authority for decision
12 October 2018	Indicative Authority Decision due (X Working days)
1 April 2019	Implementation date (X Working days later)