




Stage 02 Code Administrator Consultation	At what stage is this document in the process?								
<p>CMP296: Aligning the CUSC to the BSC post-P344 (Project TERRE) to exempt Virtual Lead Parties from BSUoS.</p>	<table border="1"> <tr> <td>01</td> <td>Initial Written Assessment</td> </tr> <tr> <td>02</td> <td>Code Administrator Consultation</td> </tr> <tr> <td>03</td> <td>Draft CUSC Modification</td> </tr> <tr> <td>04</td> <td>Final CUSC Modification</td> </tr> </table>	01	Initial Written Assessment	02	Code Administrator Consultation	03	Draft CUSC Modification	04	Final CUSC Modification
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04	Final CUSC Modification								
<p>Purpose of Modification: P344 introduces a new class of BMU, and a new class of BMU registrant to the BSC (“Virtual Lead Parties”); it is necessary to amend the CUSC to expand the BSUoS exemption to these Virtual Lead Parties.</p>									
	<p>The purpose of this document is to consult on CMP296 with CUSC Parties and other interested industry members. Parties are requested to respond by 5pm on DD Month Year to cusc.team@nationalgrid.com using the Code Administrator Consultation Response Pro-forma which can be found via the following link:</p> <p>https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code/modifications/aligning-cusc-bsc-post-p344</p> <p>Published on: 23 May 2018</p> <p>Length of Consultation: 15 Working Days</p> <p>Responses by: 14 June 2018</p>								
	<p>Low Impact: BSUoS chargeable parties</p>								
	<p>The Panel concludes:</p> <p>The CUSC Panel agreed that this modification should proceed to Code Administrator Consultation Stage</p>								

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Timetable	
The Code Administrator recommends the following timetable:	
Proposal presented to Panel	27 April 2018
Code Administration Consultation Report issued to the Industry (15WDs)	23 May 2018
Draft Final Modification Report presented to Panel	21 June 2018
Modification Panel decision	29 June 2018
Final Modification Report issued to Authority (25 WD)	12 July 2018
Indicative Decision Date	16 August 2018
Decision implemented in CUSC (2WD after determination)	01 April 2019

Any questions?

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1 About this document

CMP296 was proposed by National Grid and was submitted to the CUSC Modifications Panel for its consideration on 27 April 2018. The Panel decided to send the Proposal to Code Administrator Consultation ahead of submission to the Authority for their decision.

CMP296 aims to address issue apparent through the introduction of 'Virtual Lead Parties' to the BSC. P344 introduces a new class of BMU, and a new class of BMU registrant to the BSC ("Virtual Lead Parties"); it is necessary to amend the CUSC to expand the BSUoS exemption to these Virtual Lead Parties.

This Code Administrator Consultation has been prepared in accordance with the terms of the CUSC. An electronic copy can be found on the National Grid Website, along with the CUSC Modification Proposal Form.

2 Original Proposal

Defect

BSC modification P344 creates the concept of Virtual Lead Parties which will have “Secondary BMUs” registered to them. Any sites where metered volume is settled through the Supplier Volume Allocation method, and which participate in delivering reserve services through TERRE will also have their volume registered against these Virtual Lead Parties and Secondary BMUs (in addition to the extant SVA registration to the relevant Supplier). The purpose of this is to allow the System Operator to track that services have been delivered. However, without appropriate changes to the CUSC these BMUs may also incur BSUoS charges.

Therefore we propose to remove Secondary BM Units/Virtual Lead Parties from BSUoS liabilities. A separate modification will be raised to incorporate these terms into Section 11.

What

The existing BSUoS liability exemption in 14.30.4, which applies to Interconnectors, should be expanded to cover all BMUs associated to a Virtual Lead Party.

Why

The metered volumes attributed to the Secondary BMUs are already chargeable under the Supplier’s Base BMU and therefore without exempting Virtual Lead Parties and Secondary BMUs from BSUoS, the same metered volumes would be chargeable twice.

How

Introduce the concept of ‘Virtual Lead Parties’ into the CUSC Section 14, and with a separate CMP into Section 11, and then expand the exemption noted – inter alia – in 14.30.4 such that it covers the Secondary BMUs of Virtual Lead Parties.

3 Proposer’s solution

Legal text attached in section 7 of this document.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

It is influenced by, but does not influence BSC P344.

Consumer Impacts

Leads to more cost-reflective and appropriate charging. Without this modification, the VLP would be liable for BSUoS charges against SVA volumes which are already considered in the charging arrangements for the Supplier – this would not be cost-reflective as it would effectively increase the number of chargeable parties without a corresponding increase in volumes.

4 CMP296: Relevant Objectives

Impact of the modification on the Applicable CUSC Objectives (Charging):

Relevant Objective	Identified impact
(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;	Positive – charging VLPs would, in essence increase their costs such that they were at a competitive disadvantage vs. other reserve providers
(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);	Positive – costs of balancing actions relating to VLP capacities will be recovered through demand/generation – charging VLPs too wouldn't be cost-reflective
(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;	None
(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	None
(e) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive – charging VLPs would be inefficient and

uneconomic. The CUSC and other core codes should align wherever appropriate/practicable.

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

5 Implementation

Implementation should align with that for BSC P344 which, at the time of writing is 1 April 2019. If P344 is delayed for any reason, this Proposal should be implemented at the start of the Charging Year immediately preceding the relevant P344 BSC Release implementation.

6 Code Administrator Consultation: how to respond

If you wish to respond to this Code Administrator Consultation, please use the response pro-forma which can be found under the 'Industry Consultation' tab via the following link; <https://www.nationalgrid.com/uk/electricity/codes/connection-and-use-system-code/modifications/aligning-cusc-bsc-post-p344>

Responses are invited to the following questions;

1. Do you believe CMP296 better facilitates the Applicable CUSC Objectives? Please include your reasoning.

2 Do you support the proposed implementation approach?

3. Do you have any other comments?

Views are invited on the proposals outlined in this consultation, which should be received by **5pm on 14 June 2018**. Please email your formal response to: CUSC.team@nationalgrid.com

If you wish to submit a confidential response, please note the following;

Information provided in response to this consultation will be published on National Grid's website unless the response is clearly marked 'Private & Confidential', we will contact you to establish the extent of this confidentiality. A response marked 'Private & Confidential' will be disclosed to the Authority in full by, unless agreed otherwise, will not be shared with the CUSC Modifications Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked 'Private & Confidential'

7 Legal Text

Attached

Text Commentary

The existing BSUoS exemption for Interconnectors is extended to all Secondary BMUs and Virtual Lead Parties.

14.29.4 All CUSC Parties acting as Generators and Suppliers (for the avoidance of doubt excluding all BMUs and Trading Units associated with either Interconnectors or Virtual Lead Parties) are liable for Balancing Services Use of System charges based on their energy taken from or supplied to the National Grid system in each half-hour Settlement Period.

14.30.4 BM Unit and Trading Units associated with Interconnectors, including those associated with the Interconnector Error Administrator, are not liable for BSUoS charges. BM Units, including Secondary BM Units, which are associated with Virtual Lead Parties are not liable for BSUoS charges.