

Trisha McAuley OBE
Independent Chair
CUSC & Grid Code Panel

Nadir Hafeez
Ofgem
By email

23 August 2019

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for CMP320 'Island MITS Radial Link Security Factor'.

This letter sets out the views of the CUSC Modification Panel on the request, by the Proposer, for urgent treatment of CMP 320.

CMP 320 identifies the following defect: Islands that have a MITS Node but are served by a single circuit radial link are exposed to non-cost reflective charging of a 1.8 Security Factor rather than the application of a 1.0 Security Factor. This proposal will apply a 1.0 Security Factor in that situation. All documentation for these modifications can be located via the following link: <https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/island-mits-radial-link-security-factor>

CMP320 was presented at the CUSC Modification Panel ("the Panel") on 26 July 2019. The Panel determined that CMP320 should follow the standard governance route and proceed to a Workgroup and terms of reference for this Workgroup were agreed.

On 5 August 2019, National Grid Electricity System Operator (ESO) received a request from the Proposer of CMP320 requesting that the modification be treated as urgent. The Proposer set out their rationale within the proposal form, which is the following:

"The need for urgency is related to an imminent issue outside of the applicant's control which, if not urgently addressed, may result in a significant commercial impact on industry parties, consumers or other stakeholders. The imminent issue is the CfD auction for which we expect a requirement for successful bidders to accept contracts between 24th September and 7th October 2019. Failure to reach clarity on CMP320 by 24th September would have significant detrimental commercial implications for affected parties, such as remote island wind generators which may be considering submitting CfD bids. The detrimental impact would be in the form of substantially more expensive TNUoS charges and the cost of uncertainty at the point of signing CfD contracts regarding what the value of TNUoS charge for these types of generators is likely to be. This modification proposal and request for urgency have been raised as early as possible. In May 2019 at the Networks Charging and CUSC Awareness event, the NGESO flagged that it expects

Shetland, and the other Scottish islands, to eventually meet the criteria to become a MITS node (instead of being classed as a local circuit), so the defect of the 1.8x security factor would apply”

A Special CUSC Modification Panel was held on 13 August 2019 to consider the request for urgency and votes were thereafter sought from the remaining Panel members that could not attend this Panel in accordance with CUSC Section 8.24.2(d).

Request for Urgency

The Panel considered the request for urgency with reference to Ofgem's Guidance on Code Modification Urgency Criteria. The majority view of the Panel is that **CMP320 does meet** these criteria and **SHOULD** be treated as an Urgent CUSC Modification Proposal.

Under CUSC Section 8.24.4, we are now consulting the Authority as to whether this Modification is an Urgent CUSC Modification Proposal.

Procedure and Timetable

Having decided to **recommend urgency** to Ofgem, the Panel discussed an appropriate timetable for CMP320.

The Panel agreed that CMP320 subject to Ofgem's decision on Urgency should follow the attached Code Administrator's proposed timetable (Appendix 1 **Urgent recommendation**).

Please do not hesitate to contact me if you have any questions on this letter or the proposed process and timetable. I look forward to receiving your response

Yours sincerely



Trisha McAuley OBE
Independent Chair of the CUSC and Grid Code Panel

Appendix 1– Urgent Recommendation

Modification Stage	Date
Request for Urgency Received	5 August 2019
Panel consideration of Urgency	13 August 2019 ¹
Ofgem decision on Urgency	28 August 2019
Publish Workgroup Consultation (5 Working Days)	28 August 2019
Workgroup Consultation closes	5 September 2019
Workgroup Report issued to Panel (3 Working Days ahead of Panel)	9 September 2019
Workgroup Report presented to Panel (Special Panel)	12 September 2019
Publish Code Administrator Consultation (5 Working Days)	12 September 2019
Code Administrator Consultation closing date	19 September 2019
Draft Final Modification Report issued to Panel and Industry (3 Working Days ahead of Panel)	23 September 2019
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	27 September 2019
Submit Final Modification Report to Authority	1 October 2019
Authority Decision (7 Working Days)	8 October 2019
Date of Implementation	9 October 2019

In the event that CMP320 is not granted urgent status it will be prioritised and a timetable will be drafted in conjunction with the Workgroup and CUSC Panel.

¹ Voting concluded 21 August 2019