

Trisha McAuley OBE
Independent Chair
CUSC & Grid Code Panel

Nadir Hafeez

Ofgem

By email

11 February 2020

Dear Nadir

Connection and Use of System Code (CUSC) Modification Panel Request for Urgency and Recommended Timetable for CMP336 'Transmission Demand Residual – Billing and consequential changes to CUSC Section 14 (TCR)'.

On 16 January 2020, National Grid ESO raised CMP336. The Proposer sent a request to the CUSC Panel Secretary for the modification to be treated as urgent.

The CUSC Modifications Panel ("the Panel") on 31 January 2020 considered CMP336 and the associated request for urgency. This letter sets out the views of the Panel on the request for urgent treatment and the procedure and timetable that the Panel recommends.

The Authority has published a Direction requiring ESO to raise CUSC Modification Proposals to give effect to the TCR Decisions. CMP332 is developing a methodology for the Transmission Demand Residual to be applied only to "Final Demand" on a "Site" basis. CMP334 creates the definitions of "Final Demand" and "Site". CMP336 aims to revise Section 14 of the CUSC to set out how/when the Residual is recovered from parties once the Residual charges are determined.

All documentation for this modification can be located via the following link:

<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/cmp336-transmission-demand-residual-billing>

The Proposer set out their rationale for Urgency within the proposal form, which is the following:

"The Company has been directed to raise this modification proposal and implement The Authority's decision by April 2021. To allow the necessary system and process changes to take place (e.g. data exchanges), in order to prevent ESO from breaching the terms of the Direction and therefore the provisions of its Licence and the CUSC, this modification will need to follow an Urgent timetable."

Request for Urgency

The Panel considered the request for urgency with reference to Ofgem's Guidance on Code Modification Urgency Criteria. The unanimous view of the Panel is that **CMP336 does meet** these criteria and **SHOULD** be treated as an Urgent CUSC Modification Proposal.

Panel members set out their rationale behind this decision:

- Panel recognised that to meet the Proposer's requirement for an end June 2020 decision date to meet the expected Implementation Date, the Modification would need to be progressed on an urgent timeline. Specifically, the standard governance timescales for the Code Administrator Consultation period would need to be shortened from 15 working days to 5 working days. Appendix 1 shows the urgent timeline and Appendix 2 shows the standard governance timeline;
- The TSC SCR Decision has identified that the proposed changes will have a significant positive effect for consumers and stakeholders from 1 April 2021. In terms of Ofgem's urgency criteria (a), members of the Panel agreed that accordingly there is a current issue that if not addressed urgently would cause a significant commercial impact on stakeholders and, in particular, consumers. To support this, Panel noted that customers urgently need certainty on which band they are allocated to as there is a significant financial difference across each of the Transmission Demand Residual tariffs.

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 CMP336.

The Panel agreed that CMP336 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 McAwley

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

Appendix 1 – Urgent Timeline

Modification Stage	Date
Request for Urgency Received	16 January 2020
Panel consideration of Urgency	31 January 2020
Ofgem decision on Urgency	18 February 2020
Publish Workgroup Consultation (15 Working Days)	26 March 2020
Workgroup Consultation closes	20 April 2020
Workgroup Report issued to Panel (5 Working Days ahead of Panel)	1 May 2020
Workgroup Report presented to Panel	11 May 2020
Publish Code Administrator Consultation (5 Working Days)	12 May 2020
Code Administrator Consultation closing date	19 May 2020
Draft Final Modification Report issued to Panel and Industry (5 Working Days ahead of Panel)	20 May 2020
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	29 May 2020
Submit Final Modification Report to Authority	9 June 2020
Authority Decision	End June 2020
Date of Implementation	1 April 2021

Appendix 2 – Standard Governance Timeline

In the event that CMP336 is not granted urgent status it will progress on the following timeline:

Modification Stage	Date
Publish Workgroup Consultation (15 Working Days)	26 March 2020
Workgroup Consultation closes	20 April 2020
Workgroup Report issued to Panel (5 Working Days ahead of Panel)	13 May 2020
Workgroup Report presented to Panel	21 May 2020
Publish Code Administrator Consultation (15 Working Days)	22 May 2020
Code Administrator Consultation closing date	15 June 2020
Draft Final Modification Report issued to Panel and Industry (5 Working Days ahead of Panel)	18 June 2020
Draft Final Modification Report presented to Panel / Panel Recommendation Vote	26 June 2020
Submit Final Modification Report to Authority	7 July 2020
Authority Decision	End July 2020
Date of Implementation	1 April 2021