

CUSC Code Administrator Consultation Response Proforma**CMP345 'Defer the additional Covid -19 BSUoS costs'**

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses to cusc.team@nationalgrideso.com by **3pm on 12 June 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Paul Mullen paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
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For reference the applicable CUSC objectives are:

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

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Do you believe that the CMP345 Original solution, WACM1, WACM2, WACM3, WACM4, WACM5, WACM6, WACM7 or WACM8 better facilitates the Applicable CUSC Objectives?	<p>We consider that the Original modification proposal better facilitates the Applicable Objectives.</p> <p>The Original Proposal better facilitates objective (a) by ensuring that market participants are not adversely impacted by unforeseen balancing costs resulting from COVID-19 which they would be unable to recover where power has already been sold and better facilitates objective (c) by allowing the ESO to recover the exceptional costs in a way which best facilitates competition in the market.</p> <p>Our primary concern with COVID-related balancing costs is that market participants are unable to recover such large unforeseen costs within year. We consider that the Original proposal addresses this and strikes the best balance between the interests of industry participants and the ESO compared to the other options.</p>
2	Do you support the proposed implementation approach?	Yes, we support implementation on 23 June 2020. We consider that a separate credit note reconciliation should be run to cover May 2020 as the same issues relating to unforeseen costs would apply this period as to costs from 1 June 2020.
3	Do you have any other comments?	No.