

CUSC Code Administrator Consultation Response Proforma**CMP350 'Changes to support the BSUoS Covid Support Scheme'**

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 **5pm** on **4 August 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 use of system charging methodology.*

**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 CMP350 Original solution, WACM1, WACM2, WACM3, WACM4, WACM5, WACM6 or WACM7 better facilitates the Applicable CUSC Objectives?	<p>WACM3 and WACM7 are acceptable as they are not a material movement from the outcome of CMP345. A time extension to the measures introduced by CMP345 would not have been unexpected and would appear reasonable as we continue the transition to the the new norm of demand levels.</p> <p>All of the other solutions are worse as they are anti-competitive (objective a) as they create winners and losers, are not cost reflective (objective b) or efficient from an administrative perspective (objective e) .</p>
2	Do you support the proposed implementation approach?	<p>In respect of the limit on the total amount of costs that can be deferred (i.e. £100m) then there is sufficient headroom in the existing methodology that this would not cause any participant an adverse impact on implementation.</p> <p>The BUSoS £/MWh cap should not be altered without sufficient notice to allow participants to change their commercial positions. To force another downward action on the revenues of embedded generation will be yet another kick in the teeth when paired with the material falls seen in wholesale markets.</p>
3	Do you have any other comments?	<p>We reiterate that the proposal is nothing more than a profit grab at the expense of embedded generation and future BSUoS market participants. It should be regarded as an abuse of process.</p> <p>The Proposer continues to note that these increased costs could not have been anticipated. This is moot point and should not be factored into any decision making process since we are now well over 6 months past first knowledge of the virus. BSUoS by design is not a cost that can be accurately forecast or anticipated with reasonable accuracy. Other and future participants should not be forced to pick up the tab of those participants who will be able to change their actions in future to avoid the costs they are lobbying to be deferred.</p>