

Code Administrator Consultation Response Proforma

CMP351: Financial Securities – Timescales for Provision of Cash Deposit into Escrow

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 **12 November 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Ren Walker lurrentia.walker@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Barney Cowin
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For reference the Applicable CUSC (non-charging) Objectives are:

- a) *The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;*
- b) *Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;*
- c) *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- d) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

**Objective (c) 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 Workgroup Consultation questions		
1	Do you believe that the CMP351 Original Proposal better facilitates the Applicable Objectives?	We support the proposals put forward and believe that consumer interests are better protected through the implementation of the reduced time period for providing cash securities. Provision of cash deposits 45 days ahead of the securities period does detriment those parties providing cash deposits as they are effectively providing an additional 45 days security than those parties providing other forms of security. In particular the 45 days does impact smaller companies disproportionately by providing additional onerous impacts on their cash flow, and NGESO confirm that smaller companies are one of the two main groups affected. We do acknowledge that NGESO require a reasonable period to ensure that they can carry out their administrative functions effectively in the Event of Default and the cancellation process, and believe that reduction to 21 days represents a reasonable compromise.
2	Do you support the proposed implementation approach?	We support the implementation approach, and agree that the change should be implemented in time for the next security period of 1 April 2021.
3	Do you have any other comments?	We request confirmation that the CUSC change will be reflected in all published CUSC documentation and associated website pages. We have raised concerns with NGESO previously that changes to CUSC are not routinely being reflected in the published CUSC documents, and request that dated changes and versions information are published alongside updated CUSC documentation.