

## Draft Final Modification Report

# CMP367: Urgent housekeeping modification as a result of 1 April implementations

**Overview:** This proposal seeks to amend Section 14 of the CUSC due to the overlap of the implementation of CMP333 and CMP360. It also aligns numbering within Section 14.30.

## Modification process & timetable

1	<b>Proposal Form</b> 19 March 2021
2	<b>Workgroup Consultation</b> N/A
3	<b>Workgroup Report</b> N/A
4	<b>Code Administrator Consultation</b> 23 March 2021 (5pm) - 25 March 2021 (5pm)
5	<b>Draft Final Modification Report</b> 25 March 2021
6	<b>Final Modification Report</b> 26 March 2021
7	<b>Implementation</b> 01 April 2021

**Have 5 minutes?** Read our [Executive summary](#)

**Have 20 minutes?** Read the full Draft Final Modification Report

**Have 30 minutes?** Read the full Draft Final Modification Report and Annexes.

**Status summary:** Draft Final Modification Report. This Report will be submitted to the CUSC Panel for them to carry out their Recommendation Vote on whether this change should happen

**This modification is expected to have a: Low impact**

On CUSC Parties

**Governance route** The unanimous view of the CUSC Panel was that CMP367 should proceed to Code Administrator Consultation and that this meets Ofgem's Urgency criteria (c). Therefore, the recommendation of the Panel was that CMP367 should be treated as an Urgent CUSC Modification Proposal.

On 23 March 2021, the Authority [approved](#) that CMP367 should be progressed as urgent.

**Who can I talk to about the change?**

**Proposer:**  
Lurrentia Walker

**Code Administrator Contact:**  
Paul Mullen

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## Contents

<b>Contents</b> .....	<b>3</b>
<b>What is the issue?</b> .....	<b>4</b>
Why change? .....	4
<b>What is the Proposer's solution?</b> .....	<b>4</b>
Legal text.....	4
<b>What is the impact of this change?</b> .....	<b>4</b>
Proposer's assessment against CUSC Charging Objectives.....	4
Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories.....	5
<b>Code Administrator Consultation Summary</b> .....	<b>6</b>
<b>Panel recommendation vote</b> .....	<b>6</b>
<b>When will this change take place?</b> .....	<b>6</b>
Implementation date .....	6
Date decision required by .....	6
Implementation approach .....	6
Proposer's justification for governance route .....	6
<b>Interactions</b> .....	<b>7</b>
<b>Acronyms, key terms and reference material</b> .....	<b>7</b>
Reference material .....	7
<b>Annexes</b> .....	<b>7</b>

## What is the issue?

This modification is seeking to address an overlap of formula's in Section 14.30 due to the implementation of [CMP333](#) 'BSUoS – Charging Supplier Users on gross demand (TCR)' and [CMP360](#) 'Aligning Section 14 of the CUSC 'Balancing Services Use of System Charging Methodology' to the licence changes introduced by RIIO-2 in respect of the 'System Operator Revenue Restriction'.

This modification also amends paragraph numbering to ensure consistency in Section 14.30 as a result of the implementations of [CMP281](#) 'Removal of BSUoS charges from energy taken from the National Grid System by Storage Facilities', [CMP333](#) 'BSUoS – Charging Supplier Users on gross demand (TCR)' and [CMP360](#) 'Aligning Section 14 of the CUSC 'Balancing Services Use of System Charging Methodology'.

## Why change?

This modification is required as it will ensure that the CUSC, as of 1 April 2021 reads as intended.

## What is the Proposer's solution?

The Proposer's solution is to amend Section 14.30 of the CUSC.

## Legal text

The legal text can be found in Annex 3.

If CMP367 is rejected, then the BSUoS Modifications that will come into effect on 1 April 2021 will be CMP281, CMP333 and CMP360 as per Ofgem's decisions dated [14 May 2020](#), [3 December 2020](#) and [25 March 2021](#) respectively.

For the avoidance of doubt, [CMP345](#) '*Defer the additional COVID-19 BSUoS costs*' and [CMP350](#) '*Changes to the BSUoS Covid Support Scheme*' which were implemented on 25 June 2020 and 14 August 2020, will remain in the baseline legal text.

## What is the impact of this change?

### Proposer's assessment against CUSC Charging Objectives

Relevant Objective	Identified impact
(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>Positive</b> Reflects decisions from the Authority.
(b) That compliance with the use of system charging methodology results in charges which reflect, as far as is	<b>Positive</b>

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);	Reflects decisions from the Authority.
(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;	<b>Neutral</b>
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Neutral</b>
(e) Promoting efficiency in the implementation and administration of the system charging methodology.	<b>Positive</b> Reflects decisions from the Authority.
*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).	

### Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	<b>Neutral</b>
Lower bills than would otherwise be the case	<b>Neutral</b>
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Neutral</b>
Improved quality of service	<b>Neutral</b>

## Code Administrator Consultation Summary

The Code Administrator Consultation was issued on the 23 March 2021 and closed on 25 March 2021 with 2 responses received. A summary of the responses can be found in the table below, and the full responses can be found in Annex 4.

Code Administrator Consultation summary	
Question	
Do you believe that the CMP367 better facilitates the Applicable CUSC Objectives?	1 respondent agreed that CMP367 better facilitated applicable objective e only, and not a & b as it in itself does not implement the change that has already been approved by the Authority.  1 respondent agreed that CMP367 better facilitated a, b & e.
Do you support the proposed implementation approach?	Both respondents supported the implementation approach.
Do you have any other comments?	1 respondent stated that the proposal was required to rectify unintended misalignments of certain BSUoS calculations and amend paragraph numbering.
Legal text issues raised in the consultation	
No legal text issues raised	

## Panel recommendation vote

The Panel will meet on the 26 March 2021 to carry out their recommendation vote.

## When will this change take place?

### Implementation date

This modification will require an implementation date of 1 April 2021.

### Date decision required by

A decision is required by 30 March 2021, as implementation is required by 1 April 2021.

### Implementation approach

N/A

### Proposer's justification for governance route

Governance route: Urgent modification to proceed under a timetable agreed by the Authority (with an Authority decision)

This modification should be treated as urgent as it links to an imminent issue that if isn't addressed will cause a party to be in breach of any relevant legal requirements. (Ofgem

urgency criteria (c)). Without this modification, there would not be a version of legal text to implement from 1 April 2021 which has been consulted on/approved in its complete form. Therefore, we would technically be working outside of the CUSC.

## Interactions

- |   |  |  |                                |
|---|--|--|--------------------------------|
| <input type="checkbox"/> Grid Code              | <input type="checkbox"/> BSC                               | <input type="checkbox"/> STC                 | <input type="checkbox"/> SQSS  |
| <input type="checkbox"/> European Network Codes | <input type="checkbox"/> EBGL Article 18 T&Cs <sup>1</sup> | <input type="checkbox"/> Other modifications | <input type="checkbox"/> Other |

This proposal has no interactions with other industry codes.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBGL	Electricity Balancing Guideline
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

## Reference material

- None

## Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Urgency Letter to the Authority
Annex 3	Legal text
Annex 4	Code Administrator Consultation Responses

<sup>1</sup> If your modification amends any of the clauses mapped out in Exhibit Y to the CUSC, it will change the Terms & Conditions relating to Balancing Service Providers. The modification will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.