

CMP201 Removal of BSUoS from Generation



CUSC Panel – 22nd February 2013

Background

- CMP 201 raised in December 2011
 - Purpose: To address potential market distortion arising from different treatment of BSUoS charges in GB versus other EU
 - BSUoS charged 50 / 50 to generation & demand.
 - Prevalent national arrangements within EU is to charge predominantly to demand.
- CUSC Panel initially recommended approval in Sept. 2012
- Ofgem “sent back” report Oct. 2012 for clarification:
 - Concerns raised relate to the additional analysis
 - In particular:
 - Validity of model for short-term competition effect;
 - Timescales for any potential long-term investments.

Revised Workgroup Report

- Workgroup subsequently met on two further occasions
 - Agreed that “flawed” short-term impact analysis should be removed
 - Additional work on possible long term effects and analysis based on Ten Year Statement included.
- Revised Workgroup Report circulated & issues consequential comments addressed at final Workgroup meeting.
- Original proposal and alternatives implementation dates updated to reflect extended process

Revised Implementation Dates

- Original
 - Implementation on 1st April following **2 years** after Authority decision
- WACM 1
 - Implementation on 1st April following **3 years** after Authority decision
- WACM 2
 - Implementation on 1st April following **5 years** after Authority decision

Authority Decision Date	Implementation Date		
	Original: 2 years	WACM1: 3 years	WACM2: 5 years
On or before 31 st March 2014	1 st April 2016	1 st April 2017	1 st April 2019
Between 1 st April 2014 and 31 st March 2015	1 st April 2017	1 st April 2018	1 st April 2020
Between 1 st April 2015 and 31 st March 2016	1 st April 2018	1 st April 2019	1 st April 2021

Workgroup Vote

- Workgroup confirmed that their views were unchanged following “send back”
- Workgroup believes it has met its Terms of Reference and subsequent concerns raised following “send back”
- Recommend proceed to 3 week Code Administrator Consultation

Questions?

