

CMFTP232 – Demand Side Balancing Reserve and Supplemental Balancing Reserve Cost Recovery Restriction



CUSC Panel – 27 June 2014

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Background

- Ofgem published final proposals on funding arrangements for the new services Supplemental Balancing Reserve (SBR) and Demand Side Balancing Reserve (DSBR) on 7 March 2014.
- The Authority has directed changes to the Transmission Licence to allow NGET to recover economic and efficient costs incurred for the provision of SBR and DSBR
- Ofgem Consultation: 7 March to 4 April 2014
- GEMA Modification: 11 April 2014

Summary of Defect

- The Licence was changed on 6 June 2014.
- As a result of these changes, the CUSC is not consistent with the Transmission Licence.

Proposed CUSC Modification

- This Proposal seeks to;
 - Effect the changes required by the Electricity Transmission License.
- It is proposed that a number of changes are made to;
 - CUSC Section 14 – The Statement of the Balancing Services Use of System Charging Methodology
- This is a factual change and has no material impact on Users

Justification against Self Governance & Fast Track criteria

Self Governance criteria

- (a) Is unlikely to have a material effect on:*
 - i. Existing or future electricity consumers, and*
 - ii. Competition in the generation, distribution, or supply of electricity or any commercial activities connected with the generation, distribution or supply of electricity; and*
 - iii. The operation of the National Electricity Transmission System; and*
 - iv. Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and*
 - v. The CUSC's governance procedures or the CUSC's modification procedures, and*
- (b) Is unlikely to discriminate between different classes of CUSC Parties.*

Justification against Self Governance & Fast Track criteria

Fast Track criteria

- (c) *Is properly a housekeeping modification required **as a result of some error or factual change**; including but not limited to:*
 - (a) *Updating names or addresses listed in the CUSC;*
 - (b) *Correcting minor typographical errors*
 - (c) *Correcting formatting and consistency errors, such as paragraph numbers or*
 - (d) *Updating out of date references to other documents or paragraphs.*

Code Administrator Proposed Progression

- The Panel is asked to agree:
 - whether CMFTP232 should be progressed through Fast Track

If not Fast Track:

- *whether CMFTP232 should progress to either:*
 - *Workgroup*
 - or*
 - *Code Administrator Consultation*
- whether CMFTP232 is exempt from the ongoing SCR

Code Administrator Proposed Progression (if Fast Track agreed)

- The Panel is asked to agree:
 - Whether CMFTP232 should be implemented
 - What date should CMFTP232 be implemented (*Code Administrator recommends 1 working day after Objection Window closes – 22 July 2014.*)

Proposed Timetable

30th June 2014	Publish approved CMFTR
21st July 2014	Objection window closes
22nd July 2014	Code Administrator implements