CMP240 ‘Amending the Cancellation Charge liability within a CMP213 judicial review period’



CUSC Panel – 28 November 2014

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Background

- Generator wishing to reduce TEC or submit Notice of Disconnection after station's charging date;
  - Pays a Cancellation Charge if less than one year's notice (Section 15, Para 3.11)

- CMP213 'Project TransmiT TNUoS Developments'
  - To be implemented 1st April 2016
  - Now subject to Judicial Review

Summary of Defect

- Generators will factor in future transmission charge forecasts when making closure / TEC reduction decisions
  - Implementation date for methodology decisions accounts for users making timely decisions
- Judicial Review creates uncertainty around TNUoS forecasts for generators from 1st April 2016
- Generators required to make decisions on closure / TEC reduction by end of March 2015 to avoid Cancellation Charge
  - Uncertainty may be ongoing at this time
  - Generators may make inefficient decisions based on uncertainty and/or add a premium for uncertainty
  - This may add to end consumer costs with no clear benefit

Proposed CUSC Modification

- On conclusion of a CMP213 Judicial Review;
  - Provide window for generators to give notice to disconnect / reduce TEC effective at the start of the following Financial Year;
    - 20 business days
    - No Cancellation Charge liability
- Change required to paragraph 3.11 of Section 15 of the CUSC

Justification against Applicable CUSC Objectives

- Facilitates National Grid implementing CMP213 on 1st April 2016
  - Better meeting applicable objective (a) – Efficient discharge of obligations
- Assists generators in making informed decisions in appropriate timescales. Reduces market uncertainty leading to reduced risk premiums.
  - Better meeting applicable objective (b) - Competition

CMP240 Progression

- The Panel is asked to agree:
  - Whether CMP240 should be progressed through Self-Governance
  - How to progress CMP240
    - Code Administrator Consultation
    - Workgroup
  - If the Panel agrees for CMP240 to proceed to a Workgroup, the Proposer asks whether it meets the urgency criteria.