

Code Administrator Consultation Response Proforma**CMP377: Clarification of Section 14 BSUoS Charging Methodology**

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 **02 September 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration.

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:	Damian Clough
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I wish my response to be:

(Please mark the relevant box)

 Non-Confidential Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

For reference the Applicable CUSC (charging) Objectives are:

- 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. *That compliance with the use of system charging methodology results in charges which reflect, as far as is 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);*
- 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;*
- d. *Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and*
- e. *Promoting efficiency in the implementation and administration of the system charging methodology.*

**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).*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Do you believe that the CMP377 Original Proposal better facilitates the Applicable Objectives?	Yes. It aligns the legal text with the intentions of approved modifications therefore improves e) by aligning the legal text with stated intentions thus removing any ambiguity in administrating the methodology.
2	Do you support the proposed implementation approach?	Yes. There may be merit in considering how this works in relation to CMP308 and CMP361/362. In terms of the timelines i.e. will this modification set the new baseline legal text before the above mods are presented to Ofgem for decision?
3	Do you have any other comments?	<p>In terms of the legal text we have suggested some potential changes to further improve the legal text and/or its consistency. Some of these are within sections where changes are already being made for CMP377 but may stretch the definition of housekeeping under the CUSC where changes proposed are limited to the scope of the modification.</p> <p>If we have not mentioned changes proposed as part of CMP377 below; then this should be seen as acceptance from ourselves of the changes being proposed as being correct.</p> <hr/> <p>Contents Page (which flow through from later parts of Section 14):</p> <p>14.30 Principles 14.31 Calculation of the Daily Balancing Services Use of System Charges 14.32 Settlement of BSUoS 14.33 Examples of Balancing Services Use of System (BSUoS) Daily Charges Calculations</p> <p>Suggestion: The word “Daily” is capitalised with no definition of “Daily” in section 11 or within section 14. Consider whether daily needs to be capitalised? Or create a new definition of Daily Balancing Services Use of System Charges within Section 14.31</p> <p>Suggestion: The word Daily appears before Balancing Services Use of System in 14.31 but</p>

	<p>afterwards in 14.33. If we are creating a definition then they need to be in the same order.</p> <p>From a look and feel it looks inconsistent to use the acronym (BSUoS) in 14.32 and 14.33 when the same definition] earlier in the list 14.31 does not have the same treatment?</p> <hr/> <p>14.29.1 The Transmission Licence allows The Company to derive revenue in respect of the Balancing Services Activity through the Balancing Services Use of System (BSUoS) Charges. This statement explains the methodology used in order to calculate the BSUoS Charges.</p> <p>Suggestion: “Balancing Services Use of System Charges” is a defined term in section 11. Would it be better to put in brackets (BSUoS Charges) which is a shortened version of the defined term, then separately use the acronym (BSUoS) without Charges when “Balancing Services Use of System” (BSUoS) appears by itself without “Charges” on the end which is a separate defined term?</p> <p>Suggestion: Throughout section 14 there appears to be inconsistent use of the full defined term and the acronyms for BSUoS and/or BSUoS Charges, with it flipping between the full written out version and use of the acronym, often within the same section. This suggestion does not legally alter the CUSC but does improve the look and feel of the section. 14.31.4 and 14.31.5 being prime examples.</p> <hr/> <p>14.29.4 All CUSC Parties acting as Generators and Suppliers (for the avoidance of doubt excluding all BMUs and Trading Units associated with either Interconnectors or Virtual Lead Parties) are liable for Balancing Services Use of System Charges based on their energy taken from or supplied to the National Grid system in each half-hour Settlement Period.</p> <p>Suggestion: “National Grid system” the “National Grid” is not defined in section 11. Would it be better therefore to say the “Total System” as defined by the BSC”.</p>
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