

CMP247: TNUoS Demand Charges during the implementation of BSC Modification P272 following the approval of BSC Alternative Modification P322



CUSC Panel – 31th July 2015
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Background

- BSC Modification P272 was raised to make it mandatory that meters within Profile Classes 5-8 must be Half Hourly (HH) settled; rather than Non Half Hourly (NHH) settled which is the current arrangement
- To meet the implementation date meters migrate throughout the year up until the implementation date of April 2016
- If meters migrate mid year then they will be charged both NHH and HH TNUoS charges
- CMP241 was raised to prevent Suppliers being 'overcharged' for the charging year (2015/16) up until the implementation date of April 2016 by treating meters which migrate mid year as being NHH settled for the whole charging year

Background

- To treat meters as NHH for TNUoS charging purposes; all meters in Measurement classes E-G (which is the class the meters move into once HH infrastructure has been installed) will be treated as NHH
- However there are meters within these classes who were already HH settled
 - **CMP241 has an option which allows Suppliers to opt for those meters to continue to be treated as HH as long as they inform National Grid of their intention and provide individual metering data**
- BSC Modification P322 was raised and recently approved which extends the implementation date of P272 to April 2017

Summary of Defect

- The CUSC allows those meters which are HH settled before the start of the charging year to continue to be HH settled if Suppliers provide the data to allow National Grid to treat them separately
- The above process is a manual process and adjustment to demand data, which is appropriate for the number of meters which were HH settled before April 2015, and the timescales to implement alternative industry solutions
- Extending the Implementation date to April 2017 exponentially increases the number of meters which a Supplier may opt to be treated as HH (i.e. HH settled <April 2016)

Summary of Defect

- The current manual process is not appropriate/manageable for the potential number of meters for the second charging year (2016/17)
- Alternative automatic solutions to manage the data flows and adjustments necessary to treat meters as HH, is not a feasible solution due to;
 - Costs to implement an IT solution (~£2m)
 - Timescales to implement
 - Will require new data flows and arrangements/relationships with Suppliers (current arrangement is that all data is received from Elexon on an aggregated basis)
- All the above will need to be undertaken to cover one charging year up until the Implementation date of P272

Proposed CUSC Modification

- This proposal seeks to Modify the TNUoS charging methodology within Section 14 of the CUSC to remove:
 - The optionality that meters migrating between the dates >April 1st 2015 and <April 1st 2016 can be treated as HH if Suppliers request
- All meters migrating after 1st April 2015 up until the Implementation date of 1st April 2017 will be treated as NHH

Justification against Applicable CUSC Objectives

- Provides certainty and consistency of charging arrangements for the charging year 2016/17
 - Better facilitating applicable objective (a) – effective competition
- Lessens uncertainty of the demand charging bases used to set TNUoS tariffs
 - Better facilitating applicable objective (b) – Cost reflectivity.

CMP247 Progression

- The Panel is asked to agree:
 - Whether CMP247 should be progressed through Self-governance
 - How to progress CMP247
 - Workgroup
 - Code Administrator Consultation

CMP247 Indicative timetable (Workgroup)

7th August 2015	Deadline for comments on Terms of Reference / nominations for Workgroup membership
W/C 10th August 2015	Workgroup meeting 1
W/C 24th August 2015	Workgroup meeting 2
8th September 2015	Workgroup consultation issued for 1 week Workgroup comment
15th September 2015	Deadline for comment
18th September 2015	Workgroup Consultation published
9th October 2015	Deadline for responses
W/C 12th October 2015	Workgroup meeting 3
21st October 2015	Circulate draft Workgroup Report
28th October 2015	Deadline for comment
19th November 2015	Submit final Workgroup Report to Panel
27th November 2015	Present Workgroup Report at CUSC Modifications Panel

CMP247 Indicative timetable (Workgroup)

2nd December 2015	Code Administrator Consultation issued (15 Working days)
22nd December 2015	Deadline for responses
6th January 2016	Draft CUSC Modification Report issued for Industry comment
13th January 2016	Deadline for comment
21st January 2016	Draft CUSC Modification Report issued to CUSC Panel
29th January 2016	CUSC Panel recommendation vote
2nd February 2016	Draft FMR circulated for comment
9th February 2016	Deadline for responses
12th February 2015	Final CUSC Modification Report sent to Authority

CMP247 Indicative timetable (CA Consultation)

11th August 2015	Code Administrator Consultation issued (20 Working days)
8th September 2015	Deadline for responses
9th September 2015	Draft CUSC Modification Report issued for Industry comment
16th September 2015	Deadline for comment
17th September 2015	Draft CUSC Modification Report issued to CUSC Panel
25th September 2015	CUSC Panel recommendation vote
28th September 2015	Draft FMR circulated for comment
5th October 2015	Deadline for responses
8th October 2015	Final CUSC Modification Report sent to Authority