

CMP259

Clarification of decrease in TEC as a Modification

CUSC Panel Meeting 29th January 2016
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RWE
The energy to lead

Background - Changes to TEC of a Commissioned Power Station

> **Decrease in TEC (CUSC 6.30.1.1)**

- Achieved via irrevocable notice to reduce enduring TEC
- *“Subject to payment of the Cancellation Charge, each User shall be entitled to decrease the Transmission Entry Capacity for the Connection Site or site of Connection once the Power Station to which it relates has been Commissioned upon giving The Company not less than five Business Days notice in writing.”*

> **Increase in TEC (CUSC 6.30.2)**

- Achieved via modification application
- *“Each User shall be entitled to request an increase in its Transmission Entry Capacity for a Connection Site up to a maximum of the Connection Entry Capacity for the Connection Site and such request shall be deemed to be a Modification for the purposes of the CUSC but with the words “as soon as practicable... not more than 3 months after” being read in the context of such Modification as being “within 28 days where practicable and in any event not more than 3 months (save where the Authority consents to a longer period) after”.*

CMP259 – Defect & Proposed Solution

- > **TEC reduction for a limited period of time**
 - TEC reduction for a Financial Year is generally required to save TNUoS charge – also benefits transmission system planning and other Parties by enabling earlier connection and/or temporary TEC
 - Previous practice of achieving a temporary TEC reduction via a single modification application no longer considered acceptable (c 2012/14)
 - A temporary reduction in TEC (or time-profiled TEC) is currently achieved by notice to reduce TEC followed by a modification application to increase TEC at a later date
- > **Defect** – current arrangements present an unnecessary risk to the Generator and act as a disincentive against temporary TEC reduction – TEC reduction via notice is irrevocable with no certainty that TEC may be increased later via a modification application
- > **Proposed Solution** - a modification application to achieve a temporary TEC reduction (or time-profiled TEC) would avoid this risk by enabling the Generator to contractually commit to all related TEC changes at the same time (no change proposed to principles of User Commitment Methodology)

Suggested amendment to the CUSC legal text

Under CUSC Section 6 General Provisions, insert new clause 6.30.1.3, renumber subsequent clauses, and amend renumbered CUSC 6.30.1.4:

6.30 Transmission Entry Capacity

6.30.1 Decrease in Transmission Entry Capacity

6.30.1.3 Subject to payment of the Cancellation Charge, each User shall be entitled to request a decrease to the Transmission Entry Capacity for the Connection Site or site of Connection in combination with a request for an increase in Transmission Entry Capacity made under CUSC 6.30.2 once the Power Station to which it relates has been Commissioned. Such request shall be deemed to be a Modification for the purposes of the CUSC but with the words “as soon as practicable..... not more than 3 months after” being read in the context of such Modification as being “within 28 days where practicable and in any event not more than 3 months (save where the Authority consents to a longer period) after”

6.30.1.3 4 The decrease in the Transmission Entry Capacity shall take effect on either the first of April following the expiry of the notice period stated in the notice from the User under CUSC 6.30.1.1 or on the first of April in the year requested by the User in a Modification under CUSC 6.30.1.3 provided such effective date is later than the date upon which the Bilateral Agreement is varied.

CMP259 – Assessment against CUSC Objectives

- > CMP259 facilitates the efficient discharge by the Company of its obligations by:
 - Encouraging the notification of un-utilised transmission capacity (TEC), thereby enabling transmission investment to be optimised
 - Simplifying the administrative process and reducing the administrative burden on Users seeking to reduce TEC for a limited period of time
 - Clarifying the intent of the CUSC

- > CMP259 facilitates effective competition by:
 - Encouraging the release of contracted transmission capacity (TEC) for use by other Generators and
 - Helping to remove unnecessary risk for Generators, leading to more efficient investment and operational decisions

Code Administrator Proposed Progression

- The Panel is asked to agree:
 - whether CMP259 should be progressed as Self Governance
 - whether CMP259 should progress to either:
 - WorkgroupOr straight to
 - Code Administrator Consultation

Proposed timeline – with Workgroup

20 January 2016	CUSC Modification Proposal submitted
29 January 2016	CUSC Modification tabled at Panel meeting
29 January 2016	Request for Workgroup members (7 Working days)
W/C 22 February 2016	Workgroup meeting 1
W/C 7 March 2016	Workgroup meeting 2
21 March 2016	Workgroup Consultation issued (15 Working days)
13 April 2016	Deadline for responses
W/C 18 April 2016	Workgroup meeting 3
19 May 2016	Workgroup report issued to CUSC Panel
27 May 2016	CUSC Panel meeting to discuss Workgroup Report

Proposed timeline – with Workgroup

31 May 2016	Code Administrator Consultation issued (15 Working days)
21 June 2016	Deadline for responses
24 June 2016	Draft FMR published for industry comment (5 Working days)
1 July 2016	Deadline for comments
21 July 2016	Draft FMR circulated to Panel
29 July 2016	CUSC Panel Recommendation vote
1 August 2016	FMR circulated for Panel comment (5 Working days)
8 August 2016	Deadline for Panel comment
10 August 2016	Final report sent to Authority for decision
15 September 2016	Indicative Authority Decision due (15 Working days)
29 September 2016	Implementation date (10 Working days later)

Proposed timeline – without Workgroup

8 February 2016	Code Administrator Consultation issued (15 Working days)
29 February 2016	Deadline for responses
2 March 2016	Draft FMR published for industry comment (5 Working days)
9 March 2016	Deadline for comments
10 March 2016	Draft FMR circulated to Panel
18 March 2016	CUSC Panel Recommendation vote
21 March 2016	FMR circulated for Panel comment (5 Working days)
30 March 2016	Deadline for Panel comment
4 April 2016	Final report sent to Authority for decision
25 April 2016	Indicative Authority Decision due (15 Working days)
10 May 2016	Implementation date (10 Working days later)