

## CMP248

# 'Enabling capital contributions for transmission connection assets during commercial operation' Panel Determination Vote



CUSC Panel – 29<sup>th</sup> January 2016  
Jade Clarke, Code Administrator

## Background

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- CMP248 was proposed by LZN Ltd in July 2015
- Currently parties connecting to the transmission network can choose at commissioning whether they wish to make a contribution towards the capital component of the transmission connection assets, outright or in part, or to effectively lease the asset on the basis of RPI indexation and straight line depreciation over typically 40 years.

## Proposed CUSC Modification

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- CMP248 aims to introduce arrangements into the CUSC that would enable Users that have existing arrangements to pay annual charges for transmission connection assets the opportunity to make capital contributions against the transmission connection assets. This would enable them to reduce ongoing annual charges and related post operational securities.
- Panel agreed CMP248 should be considered as Self-Governance.

## Workgroup Conclusion

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- The Workgroup voted on the Original Proposal against the CUSC (Connection Charging) objectives.
- The Workgroup unanimously voted that CMP248 better facilitates the objectives and therefore should be implemented.

## Code Administrator Consultation

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- 5 responses, including two late responses
- All respondents support the modification. They believe that the modification better facilitates the applicable CUSC objectives

## National Grids view

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- National Grid believes that CMP248 should be implemented as it better facilitates applicable CUSC objective (a).

## Questions before Panel Vote?



## Panel Determination Vote

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- a)** the compliance with the connection 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 connection 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 in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard condition C26 (Requirements of a connect and manage connection);
- c)** that, so far as is consistent with sub-paragraphs (a) and (b), the connection charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;
- d)** in addition, the objective, in so far as consistent with sub-paragraph (a) above, of facilitating competition in the carrying out of works for connection to the national electricity transmission system.
- e)** compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency.



## Timetable

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<b>29<sup>th</sup> January 2016</b>	<b>Panel vote (Appeals window opens) 15 Working days</b>
<b>19<sup>th</sup> February 2016</b>	<b>Appeals window closes</b>
<b>4<sup>th</sup> March 2016</b>	<b>CMP248 Implemented (if agreed by Panel and no successful appeals).</b>