

CMP270 - Potential consequential changes to the CUSC as a result of CMP265)

CMP270: The Proposal

The Modification Proposal is to consider potential legal text changes caused by CMP265 which fall outside section 14. The full details of the legal text changes for CMP265 have not yet been prepared by the CMP265 Workgroup but changes are anticipated on:

- **Section 3:** changes will be required to reflect any change in the structure of tariffs in Section 14, and to ensure obligations on suppliers and the Transmission Company in terms of data for forecasting and billing are aligned to those required in order to set tariffs.
- **Section 11:** the proposal will require new definitions such as New Embedded Generation (i.e. those who qualify for a different value of embedded benefit under the CMP264 Original)) in order for these terms to be in Section 14 and Section 11 of the CUSC consistently.
- Changes to other sections (other than 14, 3 and 11) may also be required for consistency but none have been identified to date.

CMP270: Why is the Proposal needed?

- Should CMP265 be approved, both section 3 and 11 would need to change to reflect the Gross charging of TNUoS for HH demand where embedded generation is in Capacity Market
- However CMP265 was raised as a Charging Modification and therefore only section 14 of the CUSC can be modified.
- A non-charging Modification needs to be raised to address sections of the CUSC outside section 14. However do not wish to duplicate any existing work taking place under 265 (*270 simply reflects 265 and does not introduce any new aspects*).

CMP270: Possible way forward

If CMP270 is approved today, the Modifications could be considered as being processed 'in parallel' with all relevant issues being dealt with through the existing CMP265 Workgroup.

Depending on whether any CMP265 alternatives are raised, potentially CMP270 could then report to the CUSC Panel when CMP265 reports, and both Modifications could go to Code Administrator Consultation together.

CMP270: Applicable CUSC Objectives

- a) The efficient discharge by the licensee of the obligations imposed upon it under the Act and by this licence;
National Grid is obliged to comply with Modification Proposals approved by the Authority and integrated into the CUSC. Where the two do not align as intended then this leads to inefficiency and a lack of clarity for CUSC parties.
- b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
The modification would better facilitate competition between transmission-connected and embedded generators in the Capacity Market. It would remove an artificial distortion that does not reflect the costs of the transmission business and currently gives extra value to embedded generators, as there is no logic to netting-off the output of embedded generators from HH demand as far as the demand residual charge element is concerned.
- c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1.
Not applicable.

Modification timetable



Heena Chauhan – Code Administrator

CMP270 Progression

- The Panel is asked to agree:
 - Whether CMP270 should be progressed through Self-governance
 - Whether CMP270 should be progressed as urgent
 - How to progress CMP270
 - Workgroup
 - Code Administrator Consultation

Proposed timeline a) – no Workgroup Consultation

18 August 2016	CUSC Modification Proposal submitted	
26 August 2016	CUSC Modification tabled at Panel meeting	
30 August 2016	Request for Workgroup members (1 Working days) – to be discussed in established CMP264 Workgroup	
w/c 29 August 2016	Workgroup meeting 1	
12 September 2016	Workgroup meeting 2	
22 September 2016	Workgroup report issued to CUSC Panel	
30 September 2016	CUSC Panel meeting to discuss Workgroup Report	
3 October 2016	Code Administrator Consultation issued (10 Working days)	
17 October 2016	Deadline for responses	
20 October 2016	Draft FMR published for industry comment (2 Working days)	

Proposed timeline a) – no Workgroup Consultation

24 October 2016	Deadline for comments
20 October 2016	Draft FMR circulated to Panel (late paper)
28 October 2016	CUSC Panel Recommendation vote
1 November 2016	FMR circulated for Panel comment (2 Working days)
3 November 2016	Deadline for Panel comment
4 November 2016	Final report sent to Authority for decision
18 November 2016	Indicative Authority Decision due (10 Working days)
25 November 2016	Implementation date (5 Working days later)

Proposed timeline b) – Workgroup Consultation

18 August 2016	CUSC Modification Proposal submitted	
26 August 2016	CUSC Modification tabled at Panel meeting	
30 August 2016	Request for Workgroup members (1 Working days) – to be discussed in established CMP264 Workgroup	
w/c 29 August 2016	Workgroup meeting 1	
w/c 5 September 2016	Issue Workgroup Consultation (5 Working days)	
12 September 2016	Workgroup meeting 2	
22 September 2016	Workgroup report issued to CUSC Panel	
30 September 2016	CUSC Panel meeting to discuss Workgroup Report	
3 October 2016	Code Administrator Consultation issued (10 Working days)	
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24 October 2016	Deadline for comments	

Proposed timeline b) – Workgroup Consultation

20 October 2016	Draft FMR circulated to Panel (late paper)	
28 October 2016	CUSC Panel Recommendation vote	
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