

CMP259 'Clarification of decrease in TEC as a Modification'



CUSC Panel – 30 September 2016
John Martin – National Grid

Background

- CMP259 was raised by RWE and was submitted to the CUSC Modifications Panel for their consideration on 29 January 2016.
- CMP259 aims to amend the CUSC to enable a User to request both a TEC reduction and a subsequent TEC increase in the form of a single modification application to National Grid

Workgroup Consultation

- **Eight responses** were received to the Consultation and were considered by the Workgroup.
- Three respondents supported the original proposal as better meeting the Applicable CUSC Objectives. Five respondents did not support it.
- Five respondents supported the implementation approach and two did not, one respondent noted the linkage with holding of TEC and its relationship with TNUoS and therefore stated that it would be good to set out in practical terms when it would come into effect.

WACMs

- The Original plus one WACM was agreed by the Workgroup
 - **Original:** Generator to submit a single modification application (rather than notice and subsequent modification application) to give notice of their intention to reduce their 'X' TEC (MW) level and request to increase it at a later date (specific date to be outlined in application but not limited). The level of TEC (MW) could be less than, equal to or more than the level they were connected at when they submitted their application. Generic ALF to be used for period where generator reduces their TEC (MW) level. No technology restriction as long as the connection is the same
 - **WACM1:**Original plus (a) the period of TEC reduction would be limited to a maximum of 3 years, (b) the subsequent TEC increase at the end of the period of reduction would not exceed the MWs that it was reduced by and (c) the period of TEC reduction could not be extended. When submitting a modification application it would only be for a single maximum three year period

Workgroup Conclusions

- Terms of Reference have been met;

| Scope of Work | Evidence in Workgroup Report |
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| <i>a)Implementation</i> | Section 7 |
| <i>b)Review of legal text</i> | Annex 7 |
| <i>c) Consider the ability for two Users to transfer TEC between each other</i> | Section 4.27 |
| <i>d)Consider the interaction of CMP259 with securities under CMP192</i> | Section 4.22 |
| <i>e)Consider any issues with the connection queue and generators connecting within the time the User had requested reduced TEC Consider any charging impacts</i> | Section 4.32 onwards (Scenario discussions) |
| <i>f)Consider timescales on reduction</i> | Throughout section 4 |
| <i>g)Consider any delay provision (e.g. a generator decides that they may want to delay their TEC being increased from the date in the original mod application and how this would work)</i> | Section 4.25 |

Workgroup Vote

- At the final Workgroup meeting, Workgroup members voted on the Original Proposal and the 1 WACM: two of the Workgroup members voted that the Baseline better facilitated the Applicable CUSC Objectives, one Workgroup members voted for WACM1 and 3 Workgroup member voted for the original solution.

Proposed CUSC Modification

- This Proposal seeks to amend;
 - CUSC Section 6 – General Provisions

Code Administrator Conclusions

4 responses were received to the Code Administrator Consultation

- Two responses were in favour of the modification and thought that the modification better facilitated the applicable CUSC objectives and two did not.
 - Comment received around this modification being considered alongside other industry initiatives to ensure that capacity across networks is utilised and planned in the most efficient manner.
 - Respondent has suggested information and transparency be sought by the Panel from National Grid, as set out in section 5.6, should the modification be approved by the Authority for post implementation evaluation purposes.

National Grid View

- The National Grid representative considers that CMP259 does not better facilitate the applicable CUSC objectives better than the baseline.

Questions before Panel Vote?



Panel Recommendation Vote - Standard Objectives

- (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- (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;
- (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and
- (d) Promoting efficiency in the implementation and administration of the CUSC arrangements.

Vote

- Vote 1 - does the original or WACM facilitate the objectives better than the Baseline?
- Vote 2 – Which option is the best?
 - Panel Votes:
 - James Anderson
 - Bob Brown
 - Kyle Martin
 - Garth Graham
 - Nikki Jamieson
 - Paul Jones
 - Simon Lord (Paul Jones)
 - Cem Suleyman
 - Paul Mott

Proposed Timetable

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|--------------------------|--|
| 30 September 2016 | Panel Recommendation Vote |
| 7 October 2016 | Final FMR circulated for Panel comment |
| 12 October 2016 | Deadline for Panel comment |
| 14 October 2016 | Final report sent to Authority for decision |
| 18 November 2016 | Indicative Authority Decision due |
| 02 December 2016 | Implementation Date |