

## Final Self Governance Modification Report

# CMP382: Amend the terminology used in CUSC Section 14 to align with the definitions of ‘Financial Year’ and ‘Business Day’ within CUSC Section 11

**Overview:** Seeks to ensure that the use of “charging year” and “Working Day” in Section 14 is replaced and aligned with the already defined “Financial Year” and “Business Day”.

### Modification process & timetable



**Status summary:** This Report will be submitted to the CUSC Panel for them to carry out their determination vote on whether this change should happen.

**Panel Determination Vote:** The Panel unanimously determined that the original solution should be implemented.

**This modification is expected to have a: Low impact**

National Grid ESO and CUSC Parties

<b>Governance route</b>	Self-Governance modification to proceed to Code Administrator Consultation
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**Who can I talk to about the change?**

**Proposer:**

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<b>Appeals Window</b>	If you want to appeal this decision, please send your appeals form and relevant documentary evidence to <a href="mailto:industrycodes@ofgem.gov.uk">industrycodes@ofgem.gov.uk</a> by <b>5pm on 29 April 2022</b> and ensure you copy in <a href="mailto:cusc.team@nationalgrideso.com">cusc.team@nationalgrideso.com</a>
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## What is the issue?

At present the terms “charging year” and “Working Day” are used within CUSC Section 14. However, these are not defined terms within CUSC Section 11. Therefore, there are inconsistencies between CUSC Section 11 and Section 14.

## Why change?

[Ofgem's decision on CMP373](#) (dated 24 May 2021) noted the misalignment between the use of “charging year” and “Financial Year” and the proposed changes in this modification seek to address this.

The proposed change will create clarity and consistency going forward for CUSC parties.

## What is the Proposer’s solution?

The proposed solution is to align Section 14 of the CUSC by replacing any reference to “charging year” and “Working Day” with the already defined terms “Financial Year” and “Business Day”.

Legal Text is attached in Annex 2.

At the CUSC Panel meeting on 26 January 2022, Panel members requested that the Proposer check the defined terms for “**Financial Year**” and “**Business Day**” are included within ESO’s licence. The Proposer confirmed that the terms are included and align to the defined terms in Section 11 of CUSC (detailed below):

**Financial Year** - *the period of 12 months ending on 31st March in each calendar year*

**Business Day** - *any week-day other than a Saturday on which banks are open for domestic business in the City of London*

CUSC Panel also noted that Financial Years are different for different organisations. Due to the Section 11 definition highlighting the dates, the Proposer believes that this covers the concern raised; however, they appreciate that this may require additional communications for some organisations.

## What is the impact of this change?

### Proposer’s assessment against CUSC Charging Objectives

Relevant Objective	Identified impact
(a) That compliance with the use of system 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>Neutral</b> No material impact from the proposed changes
(b) That compliance with the use of system 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 accordance with the STC) incurred by transmission	<b>Neutral</b>

licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);	
(c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses;	<b>Neutral</b>
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Neutral</b>
(e) Promoting efficiency in the implementation and administration of the system charging methodology.	<b>Positive</b> Proposed changes will provide greater consistency and therefore clarity to CUSC Parties.
*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

### Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	<b>Neutral</b>
Lower bills than would otherwise be the case	<b>Neutral</b>
Benefits for society as a whole	<b>Neutral</b>
Reduced environmental damage	<b>Neutral</b>
Improved quality of service	<b>Neutral</b>

## Code Administrator Consultation summary

The Code Administrator Consultation was issued on the 18 February and closed on 11 March 2022 and received 2 non-confidential responses. The full responses can be found in Annex 4. In summary:

- Both respondents supported the change to “Business Day”; however, 1 respondent did not support the change to “Financial Year” and believe it would be clearer to continue to use the term Charging Year (from Section 14.3.21 onwards) as this is well understood by industry and the charging year for TNUoS does not equate with financial year for some companies. Panel will be asked to consider this proposed change before carrying out their vote as to whether or not to implement CMP382.

## Panel determination vote

The Panel met on 25 March 2022 to carry out their determination vote.

They will assess whether a change should be made to the CUSC by assessing the proposed change and any alternatives against the Applicable Objectives.

### Panel comments on Legal text

Ahead of the vote taking place, the Panel will consider the legal text amendments proposed as part of the Code Administrator Consultation and agree next steps.

**Vote 1:** Does the Original facilitate the objectives better than the Baseline?

Panel Member: **Andrew Enzor**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
Improves clarity in the CUSC, an in doing so improves efficiency so better facilitates ACO (e).						

Panel Member: **Andy Pace**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
This modification proposes to align the terminology in the CUSC between sections 11 and section 4. This creates more consistency and transparency for users of the CUSC and we therefore assess it as better meeting applicable objective (e) by promoting efficiency in the implementation and administration of the use of system charging methodology.						

Panel Member: **Binoy Dharsi**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
Provides clarity to CUSC members on the use of the definitions identified.						

Panel Member: **Cem Suleyman**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
I believe that CMP382 better meets the Applicable CUSC Objectives for the same reasons as provided by the Proposer.						

Panel Member: **Garth Graham**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
I concur with the views expressed by the Proposer whilst noting the comments, in the Code Administrator Consultation responses, as well as noted at the CUSC Panel meeting as regards the general utilisation, by stakeholders, of 'charging year' rather than 'financial year' (which can mean different periods for some organizations than others). Overall I believe the proposal does better facilitate Applicable Objective (e) whilst being neutral with respect to the other Applicable Objectives.						

Panel Member: **Grace March**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
This modification will align legal terms within the CUSC and so facilitate ACO e).						

Panel Member: **Jenny Doherty**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
I believe this modification is positive against ACO e because it allows for a consistent approach to the terms Financial Year and Business Day in Section 14, aligned to the definitions in Section 11. I think that the modification is neutral against all other ACOs.						

Panel Member: **Joe Dunn**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
In agreement with proposer's assessment of CUSC Charging objectives with respect to the proposal.						

Panel Member: **Paul Jones**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Better facilitates AO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
<b>Voting Statement</b>						
Removes confusion between two terms meant to convey the same thing.						



**Vote 2 – Which option is the best?**

Panel Member	BEST Option?	Which objectives does this option better facilitate? (If baseline not applicable).
Andrew Enzor	Original	(e)
Andy Pace	Original	(e)
Binoy Dharsi	Original	(e)
Cem Suleyman	Original	(e)
Garth Graham	Original	(e)
Grace March	Original	(e)
Jenny Doherty	Original	(e)
Joe Dunn	Original	(e)
Paul Jones	Original	(e)

**Panel conclusion**

The Panel unanimously determined that the Original solution should be implemented.

## When will this change take place?

### Implementation date

9 May 2022.

### Date decision required by

As soon as possible.

### Implementation approach

No systems or processes will need to be amended as a result of this proposal.

## Interactions

- |  |  |   |                                |
|--|--|---|--------------------------------|
| <input type="checkbox"/> Grid Code                 | <input type="checkbox"/> BSC                                 | <input type="checkbox"/> STC                    | <input type="checkbox"/> SQSS  |
| <input type="checkbox"/> European<br>Network Codes | <input type="checkbox"/> EBR Article 18<br>T&Cs <sup>1</sup> | <input type="checkbox"/> Other<br>modifications | <input type="checkbox"/> Other |

None identified

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

### Reference material

- [Ofgem's decision on CMP373](#)

## Annexes

Annex	Information
Annex 1	Proposal Form
Annex 2	Legal Text
Annex 3	Self – Governance Statement
Annex 4	Code Administrator Consultation Responses

<sup>1</sup> If your modification amends any of the clauses mapped out in Exhibit Y to the CUSC, it will change the Terms & Conditions relating to Balancing Service Providers. The modification will need to follow the process set out in Article 18 of the Electricity Balancing Guideline (EBR – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.