

## CUSC Modification Proposal Form

# CMP289: Consequential change to support the introduction of explicit charging arrangements for customer delays and backfeeds via CMP288.

**Overview:** To introduce changes to non-charging sections of the CUSC to support the introduction of explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed. The changes to the charging element of the CUSC are covered under CMP288.

## Modification process & timetable

1	<b>Proposal Form</b> 12 February 2018
2	<b>Workgroup Consultation (1)</b> 11 January 2019 – 31 January 2019
2	<b>Workgroup Consultation (2)</b> 21 March 2022 – 11 April 2022
3	<b>Workgroup Report</b> 16 June 2022
4	<b>Code Administrator Consultation</b> 04 July 2022 – 25 July 2022
5	<b>Draft Final Modification Report</b> 18 August 2022
6	<b>Final Modification Report</b> 09 September 2022
7	<b>Implementation</b> 10 days following decision

**Status summary:** The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.

### This modification is expected to have a:

High impact: Electricity Transmission Owners; Developers requiring new generation, interconnector or demand connections.

Low impact: Parties paying TNUoS.

<b>Proposer's recommendation of governance route</b>	Standard Governance modification with assessment by a Workgroup	
<b>Who can I talk to about the change?</b>	<b>Proposer:</b> Kenneth Doyle <a href="mailto:Kenneth.Doyle@nationalgrideso.com">Kenneth.Doyle@nationalgrideso.com</a> 07814 062030	<b>Code Administrator Contact:</b> Jennifer Groome <a href="mailto:Jennifer.Groome@nationalgrideso.com">Jennifer.Groome@nationalgrideso.com</a> 07966130854

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## What is the issue?

There are currently no explicit charging arrangements to recover additional costs incurred by Transmission Owners and TNUoS liable parties as a result of transmission works undertaken early due to a User initiated delay to the Completion Date of the works, or to facilitate a backfeed. Parts of the CUSC framework outside of Section 14 are required to rectify this.

To support changes to Section 14 to implement proposed delay and backfeed charge arrangements, there is need to modify other areas of the CUSC, e.g. to reflect charges and provide supporting information within construction agreements (Schedule 2 Exhibit 3 – Construction Agreement).

## Why change?

There are two types of cost a TO may incur upon a delay in a customer's Completion Date or provision of a backfeed:

- i) Incremental costs – additional one-off costs that occur as a direct result of the customer request (e.g. demobilisation and remobilisation costs); and
- ii) Financing costs – additional costs required in financing spend for additional years due for works being undertaken earlier than they would, should the request not be made.

The CUSC already allows for the SO to recover non-standard incremental costs incurred by TOs as a result of a customer's request via a One-Off Charge. However, the CUSC wording does not explicitly state that this includes the recovery of the above TO costs.

## What is the proposer's solution?

To support the implementation of the new charging arrangements to recover costs associated with a delay in a Completion Date or backfeed, supporting changes will be required to non-charging areas of the CUSC.

In order to allow for charges within Construction Agreements, it is proposed that the terms of Schedule 2 Exhibit 3 are updated.

## Draft legal text

To be developed at Workgroup phase.

## What is the impact of this change?

### Proposer's assessment against CUSC Non-Charging Objectives

Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	<b>Positive.</b> This proposal facilitates a charging change that providing a a cost reflective signal on parties connecting to the Transmission system, and provides transparency to enable Users to assist TOs

	in undertaking transmission works economically and efficiently.
(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;	<b>Positive.</b> This proposal facilitates a charging change that ensures that the cost of delays and provision of backfeeds is reflected in charges made to the party causing the cost
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Neutral</b>
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	<b>Positive.</b> Providing additional transparency of TO expenditure improves transparency of the CUSC arrangements.
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

By directing financing costs away from TNUoS paying parties (which are in turn funded by consumers) to the delaying parties, should result in a slight reduction in consumer bills.

## When will this change take place?

### Implementation date

10 working days after following a decision by the Authority, as the charging arrangements proposed relate to one-off charges, and adjustments to TNUoS Recovery Requirements in subsequent years' charges.

### Date decision required by

As soon as possible.

### Proposer's justification for governance route

Governance route: Standard Governance modification with assessment by a Workgroup

## Interactions

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

We do not believe that there are any cross-code impacts from this Proposal.

<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.

Whilst the change will adjust the total amount to be recovered via TNUoS, it does not affect how the resulting amount is recovered from CUSC parties.

### 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
TNUoS	Transmission Network Use of System
TO	Transmission Owner
TIM	Totex Incentive Mechanism
SO	System Operator

### Reference material

- None provided.