Draft Final Modification Report

CMP397: Consequential changes required to CUSC Exhibits B&D to reflect CMP316 (Co-located Generation Sites)

Overview: CMP316 makes changes to Section 14 of the CUSC. CMP397 facilitates CMP316 and proposes consequential changes to CUSC Exhibits B & D

Modification process & timetable

1. **Proposal Form**
   15 September 2022
2. **Code Administrator Consultation**
   04 October 2022 - 01 November 2022
3. **Draft Modification Report**
   17 November 2022
4. **Final Modification Report**
   07 December 2022
5. **Implementation**
   01 April 2024

Have 5 minutes? Read our Executive summary

Have 20 minutes? Read the full Final Modification Report

Have 30 minutes? Read the full Final Modification Report and Annexes.

Status summary: This report will be submitted to the Authority for them to decide whether this change should happen.

Panel recommendation: The Panel will meet on 25 November to carry out their recommendation vote.

This modification is expected to have a: Low impact
to Co-located Generators and ESO

Governance route	Standard Governance modification Authority to Determine	
Who can I talk to about the change?	**Proposer:** Nicola White nicola.white@nationalgrideso.com 07977 021708	**Code Administrator Contact:** Paul Mullen Paul.j.mullen@nationalgrideso.com 07794 537028

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Executive summary

CMP316 makes changes to Section 14 of the CUSC. CMP397 facilitates CMP316 and proposes consequential changes to CUSC Exhibits B & D.

What is the issue?

CMP316 was raised by the ESO on 16 April 2019 to change Section 14 of the CUSC to update the TNUoS charging methodology for co-located generation sites. To facilitate and ensure consistency with the changes proposed by the CMP316 solution, consequential changes to CUSC Exhibits B & D are also required with the changes proposed by CMP316 solution.

What is the solution and when will it come into effect?

Proposer's solution:
In the Proposer's view CMP316 seeks to add a new formula, within Section 14 of the CUSC to the TNUoS methodology to calculate wider locational charges proportionally by technology type to the Power Station's Transmission Entry Capacity (TEC) using Maximum Capacity (as defined in the Grid Code) for each technology type Balancing Mechanism Unit (BMU) – the aim being to further improve cost reflectivity in charges.

Should CMP316 be approved, the Proposer has raised CMP397 to address the necessary changes, (outside of Section 14 of the CUSC), by requiring a change to the information to be collected (Maximum Capacity by technology/BMU) through the Connection process. Therefore, CMP397 proposes that the request for provision of Maximum Capacity by technology type to be included within CUSC Exhibit B and CUSC Exhibit D.

Implementation date:
1 April 2024 to align with the implementation date proposed for CMP316 – this will only be implemented if CMP316 is approved.

Panel recommendation:
The Panel will meet on 25 November 2022 to carry out their recommendation vote.

What is the impact if this change is made?

In the Proper's view implementation of CMP316, and subsequently CMP397, solution is expected to remove perceived distortions in TNUoS charging for generators and so help facilitate competition in the generation sector.

It is the Proposer's view that CMP316 and CMP397 will ensure multi-fuel sites are charged more cost-reflectively, based on their fuel/technology type and network usage; they will be charged consistently with the principles underpinning generator TNUoS charging. The number of multi-fuel sites is expected to increase and accounting for this in Section 14 and Exhibits ensures the network charging methodology reflects developments in the wider industry. It is the Proposer's view the solution removes ambiguity in charging for co-located sites and clarifies the charging methodology within the CUSC

Interactions

It is understood that this modification does not have any interaction with other codes.

What is the issue?

CMP316 was raised by the ESO on 16 April 2019 to change Section 14 of the CUSC to update the TNUoS charging methodology for co-located generation sites. To facilitate and ensure consistency with the changes proposed by the CMP316 solution, consequential changes to CUSC Exhibits B & D are also required with the changes proposed by CMP316 solution.

Why change?

CMP397 modification has been raised to ensure the required changes to the CUSC Exhibits B & D are made, should CMP316 be approved by the Authority.

What is the solution?

Proposer's solution

In the Proposer's view CMP316 seeks to add a new formula, within Section 14 of the CUSC to the TNUoS methodology to calculate wider locational charges proportionally by technology type to the Power Station's Transmission Entry Capacity (TEC) using Maximum Capacity (as defined in the Grid Code) for each technology type Balancing Mechanism Unit (BMU) – the aim being to further improve cost reflectivity in charges.

Should CMP316 be approved, the Proposer has raised CMP397 to address the necessary changes, (outside of Section 14 of the CUSC), by requiring a change to the information to be collected (Maximum Capacity by technology/BMU) through the Connection process. Therefore, CMP397 proposes that the request for provision of Maximum Capacity by technology type to be included within CUSC Exhibit B and CUSC Exhibit D.

Legal text

The legal text for this change can be found in Annex 2.

What is the impact of this change?

Proposer's assessment against the Applicable Objectives

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;	**Neutral**
(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;	**Positive** Implementation of CMP316, and subsequently CMP397, solution is expected to remove perceived distortions in TNUoS charging for generators and so help facilitate competition in the generation sector.

	CMP316 and CMP397 will ensure multi-fuel sites are charged more cost-reflectively, based on their fuel/technology type and network usage; they will be charged consistently with the principles underpinning generator TNUoS charging. The number of multi-fuel sites is expected to increase and accounting for this in Section 14 and Exhibits ensures the network charging methodology reflects developments in the wider industry. The solution removes ambiguity in charging for co-located sites and clarifies the charging methodology within the CUSC
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	**Neutral**
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	**Positive** As (b)
*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.	

Code Administrator consultation summary

The Code Administrator Consultation was issued on the 04 October 2022 and closed on 01 November 2022 and did not receive any responses.

Panel recommendation vote

The Panel will meet on the 25 November 2022 to carry out their recommendation 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.

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 AO (d)?	Overall (Y/N)
Original					

Panel Member: **Andy Pace**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					

Panel Member: **Binoy Dharsi**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					

Panel Member: **Cem Suleyman**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					

Panel Member: **Garth Graham**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					

Panel Member: **Grace March**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					

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						
Voting Statement						

Panel Member: **Karen Thompson – Lilley**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					

Panel Member: **Paul Jones**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					

Vote 2 – Which option is the best?

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

Panel conclusion
The Panel will meet on 25 November 2022 to carry out their recommendation vote

When will this change take place?

Implementation date
1 April 2024 to align with the implementation date proposed for CMP316 – CMP397 will only be implemented if CMP316 is approved.

Date decision required by
1 October 2023 to align with the requested decision date for CMP316

Implementation approach
Connection process requires additional information from the provider as shown in CUSC Exhibits B & D – CMP397 will only be implemented if CMP316 is approved.

Interactions

☐Grid Code ☐BSC ☐STC ☐SQSS
☐European Network Codes ☐ EBR Article 18 T&Cs[1] ☐Other modifications ☐Other

It is understood that this modification does not have any interaction with other codes.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BCA	Bilateral Connection Agreement
BEGA	Bilateral Embedded Generation Agreement
BMU	Balancing Mechanism Unit
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code

[1] If the modification has an impact on Article 18 T&Cs, it will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – 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.

EBR	Electricity Balancing Regulation
ESO	Electricity System Operator
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions
TNUoS	Transmission Network Use of System

Reference material

- None

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Legal Text