

CUSC Modification Proposal Form

**CMP412:
CMP398
Consequential
Charging
Modification**

Overview:

This proposal is required to facilitate the implementation of CMP398. In discussions with the ESO it has become clear that a small change to Section 14 (BSUoS) will be required to ensure that any validated costs arising via the CMP398 solution are recovered, as happens today with black start costs, via BSUoS.

Modification process & timetable



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: Low impact on Generators, Suppliers, and Customers

Proposer's recommendation of governance route

Modification to proceed to Code Administrator Consultation

Who can I talk to about the change?

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What is the issue?

[CMP398](#) if approved by The Authority, would allow generators that face new obligations under GC00156 to seek to claim the reasonable, efficient and proportionate costs needed to comply with the obligations. It is the intention of CMP398 that any validated claims are recovered via BSUoS costs.

CMP398 introduces a cost recovery mechanism for costs arising in terms of compliance with [GC0156](#) which, in turn, arises from a new Transmission Licence condition on the ESO in regards to implementing and complying with the Electricity System Restoration Standard (ESRS) which is updating and replacing the historical 'black start' arrangements in GB by December 2026.

The existing CUSC Section 14 defines the relevant component of BSUOSEXT (BSUOS external costs), BSCd ("black start costs¹"), in a BSUoS definitions table. In this table, BSCd is defined as being as per the contents of Transmission Licence Condition SLC G4.5. This² did used to have a suitably broad definition of BSCd to have encompassed the CMP398 validated claims costs that would have fallen within BSUoS via BSCd as a part of BSUOSEXT.

However, in discussions with the ESO it has become clear that the parts of the Transmission Licence Condition that related to the ESO have been removed from the Transmission Licence and simplified, with the new content now falling in a new Electricity System Operator licence – omitting any reference to black start costs, by omitting the former SLC G4.5.

So, the new Electricity System Operator licence has simplified content and no longer features the former content of SLC G4.5 and, as a result, there is no longer a definition of black start costs within it that could be utilised in terms of recovering CMP398 / GC0156 associated amounts via BSUoS. It has thus become necessary to raise this Section 14 CUSC modification proposal to accompany CMP398.

Why change?

See section above

What is the proposer's solution?

Modify the definition of BSCd in CUSC Section 14.31.8, Balancing Services Use of System Acronym Definitions. Currently, the table entry for BSCd says "As defined in the Transmission Licence", with a reference to footnote 1, which until recently said see SLC G4.5, but currently says "Current electricity transmission network price control starting 2021 (RIIO-T2) licence drafting being updated".

The definition of BSCd in CUSC Section 14.31.8, Balancing Services Use of System Acronym Definitions, needs to be amended to say:

"The total costs associated with the provision of System Restoration, formerly known as Black Start, including procuring, testing, warming, utilisation, capital contributions and

¹ That is the historical term used in GB which is being replaced by the Electricity System Restoration Standard and associated terminology which means that with the approval of GC0156 the term 'black start' will be removed from the Grid Code.

² <https://epr.ofgem.gov.uk/Content/Documents/National%20Grid%20Electricity%20Transmission%20Plc%20-%20Special%20Conditions%20-%20Current%20Version.pdf>

payments for Feasibility Studies costs. This item also includes the costs of any validated claims made for costs of GC0156 resilience at Users’ sites in accordance with CMP398”.

Legal text

As per Annex 1

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;	Positive By ensuring that validated costs incurred by CUSC Parties who are obligated by the Grid Code (but do not have a relevant contract with the ESO) to undertake activities required for ESRS are able to recover their bona fide costs and that these costs can, in turn, be recovered via BSUoS (as occurs now with other black start related costs) this will facilitate effective competition in the generation and supply of electricity.
(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 licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);	Positive This will ensure that validated costs associated with ESRS are recoverable via BSUoS (as occurs now with other black start related costs).
(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;	Positive This change updates the methodology to reflect the developments in the Transmission Licensees’ transmission business as regards implementing and complying with ESRS.
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European	Positive

<p>Commission and/or the Agency *; and</p>	<p>The provisions of the Electricity Regulation as they relate to black start³ cost recovery by generators will be facilitated by this change.</p>
<p>(e) Promoting efficiency in the implementation and administration of the system charging methodology.</p>	<p>Positive It will bring the charging methodology up to date to reflect the recent Transmission Licence changes pertaining to ESRS.</p>
<p>**The Electricity Regulation referred to in objective (d) 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.</p>	

When will this change take place?

Implementation date

The implementation date should be aligned with CMP398 which, in turn, would be linked to the approval (but not necessarily the implementation date) of GC0156.

As at the timing of writing (9th February 2023) discussions are ongoing⁴ with the ESO in terms of the practical implementation date and related potential transition arrangements for GC0156. As such this proposal will need to be implemented shortly after an Authority decision on GC0156 and CMP398, and well ahead of December 2026. This is because the affected Users will need to comply (with the GC0156 requirements) by the end of December 2026 which means, in turn, that initial costs would be incurred (and thus claimed for under CMP398) ahead of December 2026 and these will need to be recovered, via BSUoS, in due time.

Date decision required by

This proposal is aligned with CMP398 which, in turn, is aligned with GC0156.

Implementation approach

N/A.

Proposer’s justification for governance route

Governance route: Standard Governance modification to proceed to Code Administrator Consultation

This proposal is to ensure that the existing arrangements within Section 14 for validated / approved ‘black start costs’; whereby they are recovered, in due course, via BSUoS; reflects the changes arising from the introduction of ESRS and the associated codes

³ The Electricity Regulation and associated legislative documentation refers to ‘black start’ rather than, for example, ‘System Restoration’, as proposed (with GC0156) would be the case in GB going forward.

⁴ In the GC0156 Workgroup.

changes, namely GC0156 and CMP398 (which are both following Standard Governance).
NOTE: The merits, or otherwise, of the obligations associated with ESRS as they pertain to Users is determined by GC0156 (not this proposal) and likewise, the merits, or otherwise, of the introduction of a cost recovery mechanism pertaining to Users for reasonable, efficient and proportionate costs to be validated and paid is determined by CMP398 (not this proposal).

Interactions

- | | | | |
|---|--|---|--------------------------------|
| <input checked="" type="checkbox"/> Grid Code | <input type="checkbox"/> BSC | <input type="checkbox"/> STC | <input type="checkbox"/> SQSS |
| <input checked="" type="checkbox"/> European
Network Codes | <input type="checkbox"/> EBR Article 18
T&Cs ⁵ | <input type="checkbox"/> Other
modifications | <input type="checkbox"/> Other |

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
BSCd	Black Start Cost day
BSUOSEXT	BSUOS External Cost
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
ESRS	Electricity System Restoration Standard
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

Reference material

- See footnotes
- Annex 1 – Legal Text

⁵ 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.