

## Workgroup Terms of Reference and Membership

### TERMS OF REFERENCE FOR CMP265 WORKSHOP

CMP265 seeks to address the issue that half hourly metered (HH) demand for TNUoS purposes is currently charged net of embedded generation.

#### Responsibilities

1. The Workgroup is responsible for assisting the CUSC Modifications Panel in the evaluation of CUSC Modification Proposal **CMP265 'Gross charging of TNUoS for HH demand where embedded generation is in Capacity Market'** tabled by EDF Energy at the Modifications Panel meeting on 27 May 2016.
2. The proposal must be evaluated to consider whether it better facilitates achievement of the Applicable CUSC Objectives. These can be summarised as follows:

#### Use of System Charging Methodology

(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) 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 in accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard 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.

- (d) compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1.).
3. It should be noted that additional provisions apply where it is proposed to modify the CUSC Modification provisions, and generally reference should be made to the Transmission Licence for the full definition of the term.

#### Scope of work

4. The Workgroup must consider the issues raised by the Modification Proposal and consider if the proposal identified better facilitates achievement of the Applicable CUSC Objectives.
5. In addition to the overriding requirement of paragraph 4, the Workgroup shall consider and report on the following specific issues:
  - a) This Workgroup should not focus on transmissions generator in negative zones.
  - b) The Workgroup should not look to amend the existing Capacity Mechanism.
  - c) The Workgroup should consider all Embedded Generation with Capacity Market contracts directly or indirectly.
  - d) The Workgroup should consider consumer impacts resulting from the proposal.
  - e) The Workgroup should consider whether, on the balance of probabilities, the current level of embedded generation triad avoidance benefit significantly exceeds the actual avoided transmission investment cost, whether this causes a distortion in competition, and whether the removal of such benefits (pending the outcome and implementation of Ofgem's considerations) would better meet the code objectives.
  - f) Consider any link to the Balancing and Settlement Code with particular focus on timescales of any changes.
  - g) Consider any link to EMR Settlements metering with particular focus on timescales of any changes.
6. The Workgroup is responsible for the formulation and evaluation of any Workgroup Alternative CUSC Modifications (WACMs) arising from Group discussions which would, as compared with the Modification Proposal or the current version of the CUSC, better facilitate achieving the Applicable CUSC Objectives in relation to the issue or defect identified.
7. The Workgroup should become conversant with the definition of Workgroup Alternative CUSC Modification which appears in Section 11 (Interpretation and Definitions) of the CUSC. The definition entitles the Group and/or an individual member of the Workgroup to put forward a WACM if the member(s) genuinely believes the WACM would better facilitate the achievement of the Applicable CUSC Objectives, as compared with the Modification Proposal or the current version of the CUSC. The extent of the support for the Modification Proposal or any WACM arising from the Workgroup's discussions should be clearly described in the final Workgroup Report to the CUSC Modifications Panel.
8. Workgroup members should be mindful of efficiency and propose the fewest number of WACMs possible.
9. All proposed WACMs should include the Proposer(s)'s details within the final Workgroup report, for the avoidance of doubt this includes WACMs which are proposed by the entire Workgroup or subset of members.
10. There is an obligation on the Workgroup to undertake a period of Consultation in accordance with CUSC 8.20. The Workgroup Consultation period shall be for a period of **15 working days** as determined by the Modifications Panel.

11. Following the Consultation period the Workgroup is required to consider all responses including any WG Consultation Alternative Requests. In undertaking an assessment of any WG Consultation Alternative Request, the Workgroup should consider whether it better facilitates the Applicable CUSC Objectives than the current version of the CUSC.

As appropriate, the Workgroup will be required to undertake any further analysis and update the original Modification Proposal and/or WACMs. All responses including any WG Consultation Alternative Requests shall be included within the final report including a summary of the Workgroup's deliberations and conclusions. The report should make it clear where and why the Workgroup chairman has exercised his right under the CUSC to progress a WG Consultation Alternative Request or a WACM against the majority views of Workgroup members. It should also be explicitly stated where, under these circumstances, the Workgroup chairman is employed by the same organisation who submitted the WG Consultation Alternative Request.

12. The Workgroup is to submit its final report to the Modifications Panel Secretary on **18 August 2016** for circulation to Panel Members. The final report conclusions will be presented to the CUSC Modifications Panel meeting on **26 August 2016**.

## Membership

13. It is recommended that the Workgroup has the following members

Role	Name	Representing
Chairman	Louise Schmitz	National Grid
National Grid Representative	Paul Wakeley	National Grid
Industry Representatives	Paul Mott James Anderson John Tindal Andy Pace Elizabeth Adams/Sam Wither Christopher Granby Bill Reed Lars Weber Michael Davis Joe Underwood Simon Lord Tim Collins Lisa Waters Graz McDonald Jonathan Graham Stephen Davies Matthew Tucker Jon Fairchild Guy Phillips John Harmer Natasha Ranatunga	EDF (Proposer) Scottish Power SSE Cornwall Energy UK Power Reserve  Infinis RWE Neas Energy Eider Reserve Power Drax Power Engie Centrica Waters Wye Greenfrog Power The ADE EON Welsh Power Peakgen Uniper Alkane EDF

	Herdial Dosanjh/George Douthwaite Kirsten Gardner	RWE npower Stag Energy
Authority Representatives	Donald Smith/Dena Baresi/Dominic Green	OFGEM
Technical secretary	Caroline Wright	National Grid
Observers	Kate Dooley Nick Rubin/Talia Addy/John Lucas Lucas Lilja Bruno Menu	Energy UK ELEXON  Intergen Lime Jump

NB: A Workgroup must comprise at least 5 members (who may be Panel Members). The roles identified with an asterisk in the table above contribute toward the required quorum, determined in accordance with paragraph 14 below.

14. The chairman of the Workgroup and the Modifications Panel Chairman must agree a number that will be quorum for each Workgroup meeting. The agreed figure for CMP265 is that at least 5 Workgroup members must participate in a meeting for quorum to be met.
15. A vote is to take place by all eligible Workgroup members on the Modification Proposal and each WACM. The vote shall be decided by simple majority of those present at the meeting at which the vote takes place (whether in person or by teleconference). The Workgroup chairman shall not have a vote, casting or otherwise]. There may be up to three rounds of voting, as follows:
  - Vote 1: whether each proposal better facilitates the Applicable CUSC Objectives;
  - Vote 2: where one or more WACMs exist, whether each WACM better facilitates the Applicable CUSC Objectives than the original Modification Proposal;
  - Vote 3: which option is considered to BEST facilitate achievement of the Applicable CUSC Objectives. For the avoidance of doubt, this vote should include the existing CUSC baseline as an option.

The results from the vote and the reasons for such voting shall be recorded in the Workgroup report in as much detail as practicable.

16. It is expected that Workgroup members would only abstain from voting under limited circumstances, for example where a member feels that a proposal has been insufficiently developed. Where a member has such concerns, they should raise these with the Workgroup chairman at the earliest possible opportunity and certainly before the Workgroup vote takes place. Where abstention occurs, the reason should be recorded in the Workgroup report.
17. Workgroup members or their appointed alternate are required to attend a minimum of 50% of the Workgroup meetings to be eligible to participate in the Workgroup vote.

18. The Technical Secretary shall keep an Attendance Record for the Workgroup meetings and circulate the Attendance Record with the Action Notes after each meeting. This will be attached to the final Workgroup report.
19. The Workgroup membership can be amended from time to time by the CUSC Modifications Panel.

## Appendix 1

### Proposed CMP264 Revised Timetable

17 May 2016	CUSC Modification Proposal submitted
27 May 2016	CUSC Modification tabled at Panel meeting
31 May 2016	Request for Workgroup members (5 Working days)
14 June 2016	Workgroup meeting 1
21 June 2016	Workgroup meeting 2
4 July 2016	Workgroup meeting 3
11 July 2016	Workgroup Meeting 4
27 July 2016	Workgroup Meeting 5 (teleconference)
<del>18 July 2016</del> 29 July 2016	Workgroup Consultation issued ( <del>15 Working days</del> ) (17 Working Days)
11 August 2016	Workgroup meeting 6
<del>8 August 2016</del> 23 August 2016	Deadline for responses
30 August 2016	Workgroup meeting 7 (WG review Consultation Reponses)
<del>15 or 16 August 2016</del> 1 September 2016	Workgroup meeting 8 (WG to agree options for WACMs)
6 September 2016	Workgroup meeting 9 (WG vote)
<del>18 August 2016</del> 22 September 2016	Workgroup report issued to CUSC Panel
<del>26 August 2016</del> 30 September 2016	CUSC Panel meeting to discuss Workgroup Report

<del>30 August 2016</del> 3 October 2016	Code Administrator Consultation issued (10 Working days)
<del>13 September 2016</del> 17 October 2016	Deadline for responses
<del>15 September 2016</del> 20 October 2016	Draft FMR published for industry comment ( <del>5-2</del> Working days)
<del>22 September 2016</del> 24 October 2016	Deadline for comments
<del>23 September 2016</del> 20 October 2016	Draft FMR circulated to Panel (late paper)
<del>30 September 2016</del>	CUSC Panel Recommendation vote

28 October 2016	
<del>5 October 2016</del> 1 November 2016	FMR circulated for Panel comment (32 Working days)
<del>10 October 2016</del> 3 November 2016	Deadline for Panel comment
<del>12 October 2016</del> 4 November 2016	Final report sent to Authority for decision
<del>26 October 2016</del> 18 November 2016	Indicative Authority Decision due (10 Working days)
2 November 2016 25 November 2016	Implementation date (5 Working days later)