

## Connection and Use of System Code (CUSC)

<b>Title of the CUSC Modification Proposal</b>
Potential consequential changes to the CUSC as a result of CMP264
<b>Submission Date</b>
19 August 2016
<b>Description of the Issue or Defect that the CUSC Modification Proposal seeks to address</b>
<p>In May 2016, CMP264 (Embedded Generation Triad Avoidance Standstill proposal – Changes to the Transport and Tariff Model and billing arrangements to remove the netting of output from New Embedded Generators until Ofgem has completed its consideration of the current electricity transmission Charging Arrangements (and any review which ensues) and any resulting changes have been fully implemented' was raised by Scottish Power.</p> <p>As part of the Workgroup analysis, the Workgroup identified that whilst this was a charging modification (which if approved would require change to aspects of section 14 - Charging Methodologies of the CUSC) there are in fact some references outside section 14 of the CUSC that would require change should CMP264 be approved.</p> <p>However these could not be addressed via CMP264 as it is a charging modification seeking to amend Section 14 of the CUSC and therefore will be assessed against the Applicable Charging Objectives. Any modifications to the CUSC outside of Section 14 – Charging Methodologies are assessed against the CUSC Objectives (not Charging).</p> <p>Consequently this modification has been raised to detail the required changes to Section 3 and Section 11 of the CUSC. It is suggested that this Modification is amalgamated with CMP264, and the detailed CUSC changes be taken forward should CMP264 be approved.</p>
<b>Description of the CUSC Modification Proposal</b>
<p>Changes to Section 14 (Charging Methodologies) under CMP264 will make changes to the charging methodology to calculate demand tariffs and embedded benefits on the basis of structures proposed under the original and any WACMs.</p> <p>However, changes will also be required to Section 3 (Use of System) and Section 11 (Interpretation and Definitions). The full details of the legal text changes for CMP264 have not yet been prepared by the workgroup (and they are intending to hold a subgroup to do so, after</p>

the workgroup consultation closes), however, based on discussions at the workgroup we would expect changes to the other sections are as follows:

Section 3: changes will be required to reflect any change in the structure of tariffs in Section 14, and to ensure obligations on suppliers and the Company in terms of data for forecasting and billing are aligned to those required in order to set tariffs.

Section 11: the proposal will require new definitions such as New Embedded Generation (i.e. those who qualify for a different value of embedded benefit under the CMP264 Original) [Capacity Market Embedded Generation (i.e. those who embedded generators who hold a capacity market agreement)] in order for these terms to be in Section 14 and Section 11 of the CUSC consistently.

Changes to other sections (other than 14, 3 and 11) may also be required for consistency but none have been identified to date.

The expectation of the CMP264 Workgroup is that the discussion relating to the solution for the obligations (in Section 3) and definitions (in Section 11) have and will continue to take place under the CMP264 Workgroup and that this new modification proposal is a procedural device to enable the legal text changes to sections of the CUSC not covered by the use of system charging objectives.

### Impact on the CUSC

Changes will be required for sections 14, 3 and 11 and there may be other changes required for consistency but none have been identified to date.

Should CMP264 be approved, a number of changes would be required to reflect the CMP264 Proposal or any alternative proposals agreed by the CMP264 Workgroup.

The amendments required are to be developed by the CMP264 Workgroup and depending on whether the Proposer changes its Original Proposal or any alternatives are agreed, the Workgroup may consider with Code Administrator's advice whether any other parts of the CUSC need amendment.

### Do you believe the CUSC Modification Proposal will have a material impact on Greenhouse Gas Emissions? Yes / No

No

### Impact on Core Industry Documentation. Please tick the relevant boxes and provide any supporting information

BSC

Grid Code

STC

Other   
(please specify)

There may be an impact on the BSC but this may potentially be covered via CMP264.

**Urgency Recommended: Yes / No**

No

**Justification for Urgency Recommendation**

n/a

**Self-Governance Recommended: Yes / No**

No

**Justification for Self-Governance Recommendation**

n/a

**Should this CUSC Modification Proposal be considered exempt from any ongoing Significant Code Reviews?**

There are no relevant SCRs in process.

**Impact on Computer Systems and Processes used by CUSC Parties:**

No impact

**Details of any Related Modification to Other Industry Codes**

CMP264 '**Embedded Generation Triad Avoidance Standstill** proposal – Changes to the Transport and Tariff Model and billing arrangements to remove the netting of output from New Embedded Generators until Ofgem has completed its consideration of the current electricity transmission Charging Arrangements (and any review which ensues) and any resulting changes have been fully implemented'

### Justification for CUSC Modification Proposal with Reference to Applicable CUSC Objectives:

*This section is mandatory. You should detail why this Proposal better facilitates the Applicable CUSC Objectives compared to the current baseline. Please note that one or more Objective must be justified.*

#### Please tick the relevant boxes and provide justification:

(a) the efficient discharge by The Company of the obligations imposed upon it by the Act and the Transmission Licence

(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.

(c) 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.

Objective (c) was added in November 2011. This refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

### Additional details

<b>Details of Proposer:</b> (Organisation Name)	Scottish Power Energy Management Limited
<b>Capacity in which the CUSC Modification Proposal is being proposed:</b> (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Rupert Steele Director of Regulation, Scottish Power 0141 614 2012 <a href="mailto:Rupert.Steele@ScottishPower.com">Rupert.Steele@ScottishPower.com</a>
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	James Anderson Scottish Power Energy Management Limited 0141 614 3006 <a href="mailto:James.Anderson@ScottishPower.com">James.Anderson@ScottishPower.com</a>
<b>Attachments (Yes/No):</b> <b>If Yes, Title and No. of pages of each Attachment:</b>	

## Contact Us

If you have any questions or need any advice on how to fill in this form please contact the Panel Secretary:

E-mail [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com)

Phone: 01926 654028

For examples of recent CUSC Modifications Proposals that have been raised please visit the National Grid Website at <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Modifications/Current/>

## Submitting the Proposal

Once you have completed this form, please return to the Panel Secretary, either by email to [heena.chauhan@nationalgrid.com](mailto:heena.chauhan@nationalgrid.com) and copied to [cusc.team@nationalgrid.com](mailto:cusc.team@nationalgrid.com), or by post to:

Heena Chauhan  
CUSC Modifications Panel Secretary,  
National Grid Electricity Transmission plc  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

If no more information is required, we will contact you with a Modification Proposal number and the date the Proposal will be considered by the Panel. If, in the opinion of the Panel Secretary, the form fails to provide the information required in the CUSC, the Proposal can be rejected. You will be informed of the rejection and the Panel will discuss the issue at the next meeting. The Panel can reverse the Panel Secretary's decision and if this happens the Panel Secretary will inform you.