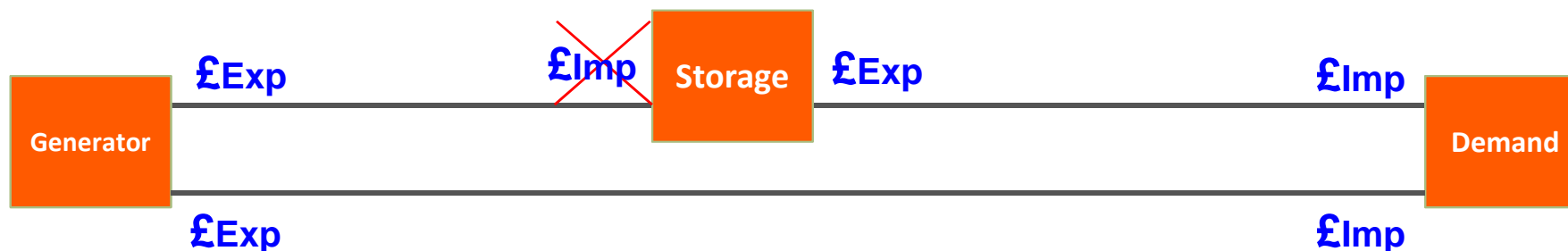


***Removal of BSUoS  
Charges from Energy  
Taken from the National  
Grid System by Storage  
Facilities***

# CMP281 – Removal of Storage Import BSUoS Charges

## Defect

The current charging regime means storage pays BSUoS on both its import and export volumes (in addition to the BSUoS costs implicit in the 'fuel cost'). Storage is therefore contributing more than other users with whom it competes in the provision of ancillary services.



### Current CUSC Charging Basis

CUSC 14.29.4: All CUSC Parties acting as Generators and Suppliers (for the avoidance of doubt excluding all BMUs and Trading Units associated with Interconnectors) are liable for Balancing Services Use of System charges based on their energy taken from or supplied to the National Grid system in each half-hour Settlement period.

### Proposed Solution

**CUSC 14.29.4:** All CUSC Parties acting as Generators and Suppliers (for the avoidance of doubt excluding all BMUs and Trading Units associated with Interconnectors ) are liable for Balancing Services Use of System charges based on their energy taken from or supplied to the National Grid system in each half-hour Settlement period, **except that energy taken from the system by Exemptible Storage BMUs shall be disregarded.**

For purpose of Section 14(2) of the CUSC – The Statement of the Balancing Services Use of System Charging Methodology –

**An Exemptible Storage BMU is a BMU that consists of:**

- (a) a means of converting electricity imported from the National Grid system into a form of energy which can be stored, and of storing the energy which has been so converted; and**
- (b) a generating unit which is wholly or mainly used to re-convert the stored energy into electrical energy for the purpose of its supply to the National Grid system.**

### Timing

The relative disadvantage for storage from the current arrangements – whereby storage pays BSUoS as both demand and generation – is sufficiently material that it should be addressed ahead of any potential future change to BSUoS

### Proposal better meets CUSC Objective (a) than the baseline

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Objective (a) 'that compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity ...

#### **Positive**

- Places generator and storage users who compete with each other in the provision of ancillary services and in the energy market on a more level playing field, better facilitating competition.

Objective (b) 'that compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs ....

#### **Positive/No impact**

- As BSUoS charges are not intended to be cost reflective, this proposal will have little impact on cost reflectivity other than removing a distortion whereby some users pay a disproportionate amount of the costs.

## Proposed Timetable: CMP281



CUSC Panel – 30 June 2017  
Heena Chauhan

# Code Administrator - Proposed Progression

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- The Panel is therefore asked to agree:
  - If CMP281 should be progressed using:
    - Standard CUSC Proposal timetable (with Workgroup)

# Approach for initial WG meetings nationalgrid

## – *Improving the use of Industry time*

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- **Pre work** by Code Admin and Proposer:
  - Start developing Workgroup Report with the Proposer
  - Identify pre-reading/analysis requirements for the Workgroup
- **Meeting 1:** WebEx meeting to ensure Workgroup members have:
  - a full understanding of the context of the modification
  - consistent understanding of the baseline
  - identified specific areas of focus/analysis needed
  - Understood the scope under the ToR
- **Meeting 2:** Review of draft Workgroup Report and add any other relevant areas of discussion (*note: the draft Workgroup Report will be issued out to members one week prior to this meeting*)
- **Post meeting 2,** the Workgroup will be required to provide final comments prior to the Workgroup Consultation being issued out to the Industry.

## Proposed Timetable for CMP281 (Scottish Power)

22 June 2017	CUSC Modification Proposal submitted
<b>30 June 2017</b>	Modification Presented to the Panel
30 June 2017	Request for Workgroup Members (10 working days)
w/c 31 July 2017	<b>Meeting 1</b> via Webex to ensure Workgroup members have a fully understanding of the context of the modification
w/c 18 September 2017	Circulate draft Workgroup Report
w/c 25 September 2017	<b>Meeting 2</b> - agree Workgroup report
9 October 2017	Workgroup Consultation issued to the Industry (15WD)
w/c 13 November 2017	<b>Meeting 3</b> - Workgroup view consultation responses
w/c 20 November 217	<b>Meeting 4</b> - Agree options, finalise legal text and vote
4 December 2017	Workgroup Report issued to CUSC Panel
<b>15 December 2017</b>	CUSC Panel meeting to discuss Workgroup Report
15 December 2017	Code Administration Consultation Report issued to the Industry (15 WD)
12 January 2018	Draft FMR published for industry comment (5 Working days)
18 January 2018	Draft Final Modification Report presented to Panel
<b>26 January 2018</b>	CUSC Panel Recommendation vote
19 February 2018	Final Modification Report issued the Authority
2 April 2018	Decision implemented in CUSC