CUSC Modification Proposal Form	At what stage is this document in the process?
# CMP320: ## Mod Title: Island MITS Radial Link Security Factor	01 Proposal Form 02 Workgroup Consultation 03 Workgroup Report 04 Code Administrator Consultation 05 Draft CUSC Modification Report 06 Final CUSC Modification Report

Purpose of Modification: Islands that have a MITS Node but are served by a single circuit radial link are exposed to non-cost reflective charging of a 1.8 Security Factor rather than the application of a 1.0 Security Factor. This proposal will apply a 1.0 Security Factor in that situation.

	• **The Proposer recommends that this modification should be:** proceed to Consultation This modification was raised *18 July 2019* and will be presented by the Proposer to the Panel on *26 July 2019***.** The Panel will consider the Proposer's recommendation and determine the appropriate route.
	**High Impact**: Insert text here.
	**Medium Impact** Island based Generation.
	**Low Impact** Non Island based Users.

Contents

Timetable

The Code Administrator will update the timetable.

The Code Administrator recommends the following timetable:
(amend as appropriate)

Initial consideration by Workgroup	dd month year
Workgroup Consultation issued to the Industry	dd month year
Modification concluded by Workgroup	dd month year
Workgroup Report presented to Panel	dd month year
Code Administration Consultation Report issued to the Industry	dd month year
Draft Final Modification Report presented to Panel	dd month year
Modification Panel decision	dd month year
Final Modification Report issued the Authority	dd month year
Decision implemented in CUSC	dd month year

Any questions?

Contact:
Code Administrator

email address

telephone

Proposer:

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Insert name

email address.

telephone

Proposer Details

Details of Proposer: (Organisation Name)	SSE Generation Ltd.
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
Details of Proposer's Representative: Name: Organisation: Telephone Number: Email Address:	 Jennifer Geraghty SSE Generation Ltd. 00353 1 655 6619 Jennifer.geraghty@sse.com
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	 Aaron Priest Viking Energy Wind Farm LLP 00441595744930 aaron.priest@vikingenergy.co.uk
Attachments (Yes/No): No **If Yes, Title and No. of pages of each Attachment:**	

Impact on Core Industry Documentation.

Please mark the relevant boxes with an "x" and provide any supporting information

BSC	
Grid Code	
STC	
Other	

(Please specify)

This is an optional section. You should select any Codes or state Industry Documents which may be affected by this Proposal and, where possible, how they will be affected.

1 Summary

Defect

As noted in CMP213 Final Modification Report (Volume 1)[1] at paragraph 6.29 “In the baseline charging methodology, the security factor for circuits classed as “wider” in the transmission network is 1.8. This is multiplied by the zonal location tariff for generators to reflect redundancy in the transmission system. However, as many island connection transmission designs are radial spurs and therefore are connected by a single radial circuit to the mainland, there is effectively no redundancy in the transmission circuit.”

The definition of MITS means that it is possible, in certain circumstances beyond the control of the User, that a MITS node[2] maybe created on an Island (served by a single radial[3] subsea circuit to the mainland). This results in the single circuit being classified as part of the ‘wider’ system for which a Security Factor of 1.8 is applied; even though only a single circuit (1.0) situation actually arises. This would result in non-cost reflective charges being applied to Generation based on the relevant Island.

What

The application of the Security Factor where a MITS node is located on an island which, in turn, is connected to the mainland on a single radial subsea circuit needs to be changed from 1.8 to 1.0 if the relevant circumstances apply. -

Why

This change is required to ensure that the charges paid by Generators located on Islands served by a single radial circuit pay more cost reflective charges.

How

Amend Section 14 of the CUSC to apply a Security Factor of 1.0 (rather than 1.8) where a MITS node is located on an island which, in turn, is connected to the mainland on a single radial subsea circuit.

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[1] https://www.nationalgrideso.com/document/6246/download

[2] A node with either (i) more than 4 Transmission Circuits; or (ii) 2 or more Transmission Circuits and a Grid Supply Point.

[3] Radial circuits are single ‘spurs’ that link generation and/or demand in one location to the wider interconnected transmission network.

2 Governance

Justification for [Normal, Urgent, Self-Governance or Fast Track Self-Governance] Procedures

We believe this change should be treated under the Normal procedure (i.e. not Self-Governance) as it will have a material effect on Users.

Requested Next Steps

This modification should: *(delete as appropriate)*

- proceed to Consultation

We believe that the defect this Modification seeks to address is self-evident and straightforward and as such it should proceed to Code Administrator Consultation.

3 Why Change?

The change needs to be made to rectify the situation where a Security Factor of 1.8 is applied as part of the current baseline on Islands served by a single radial circuit where the level of security delivered is 1.0 instead of the 1.8 that the Security Factor applies in terms of charges. This results in relevant charges paid by Generators on those Islands that are 80% more expensive than is cost reflective. This situation is expected to arise in the near future as transmission connections and MITS nodes extend to, in particular, the Scottish Island groupings of the Western Isles, Orkney and Shetland. This matter was explored by NGESO, the relevant TO and relevant stakeholders at an event on in 2nd May 2019..

4 Code Specific Matters

Technical Skillsets

Understanding of Section 14 of the CUSC.

Reference Documents

CMP213 Final Modification Report.

'Networks Charging and CUSC Awareness Event' 2nd May 2019 Presentation

5 Solution

Amend Section 14 of the CUSC to apply a Security Factor of 1.0 (rather than 1.8) where a MITS node is located on an island which, in turn, is connected to the mainland on a single radial circuit.

6 Impacts & Other Considerations

The CUSC will be impacted by this change resulting in a change to the calculation of TNUoS charging by NGESO. We do not expect there to be any significant system impacts form this change.

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This modification is not expected to impact any ongoing SCRs or other significant industry change projects.

Consumer Impacts

This change will lead to more cost reflective charges that, in turn, will result in a more competitive market in terms of generation, which will lead to lower costs for end consumers.

7 Relevant Objectives

Mandatory for the Proposer to complete. Please delete the CUSC Objectives that is not applicable.

Impact of the modification on the Applicable CUSC Objectives (Charging):

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
(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

(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
(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 *; and	None
(e) Promoting efficiency in the implementation and administration of the CUSC arrangements.	None
*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

This Modification will ensure that TNUoS charges for Islands which have a MITS node; but are connected to the mainland transmission system via a single radial circuit; are more cost reflective than under the current CUSC baseline. This will better facilitate Applicable Objective (b). In turn, by having more cost reflective charges, competition between generators will be enhanced, thus better facilitating Applicable Objective (a). Finally, this change will bring the baseline CUSC up to date as the transmission system evolves with the introduction of single radial spurs and MITs nodes to Island situation, which will better facilitate Applicable Objective (c).

8 Implementation

As is normal with CUSC changes, we'd expect implementation into the CUSC to occur ten Working Days after an Authority decision. However, for practical purposes the change itself would only apply from the next 1st April after an Authority decision and only then come into effect when an Island with a MITS node and a single radial spur occurs. Based on public domain data this would suggest a practical date of application; in terms of changes to TNUoS charges for Users; of circa 1st April 2024.

9 Legal Text

10 Recommendations

Proposer's Recommendation to Panel

- Panel is asked to: Issue this modification directly to Consultation

