

<b>CUSC Modification Proposal Form</b>	At what stage is this document in the process?
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# CMP323

**Mod Title:** Updating the CUSC governance process to ensure we capture the EBGL change process for Article 18 Terms and Conditions (T&Cs)

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:** To ensure that the governance process for making future changes to the European Balancing Guidelines (EBGL) Article 18 (A18) T and Cs that are found in the CUSC incorporates the amendment process as laid out in EBGL Article 6 (A6) and Article (A10).

	<p><b>The Proposer recommends that this modification should:</b></p> <ul style="list-style-type: none"> <li>proceed to Code Administrator Consultation</li> </ul> <p>These changes are only administrative changes to the CUSC to ensure the EBGL change process is followed for all future modifications that impact on the A18 T and Cs found in the CUSC.</p> <p>This modification was raised 11 September 2019 and presented by the Proposer to the Panel on 26 September 2019. The Panel requested further clarity on the Modification Proposal before they could determine which governance route CMP323 should follow.</p> <p>The Proposer will re-present CMP323 to the CUSC Panel on 25 October 2019.</p>
	<b>High Impact:</b> N/A
	<b>Medium Impact:</b> N/A
	<b>Low Impact:</b> Code Governance team at National Grid ESO; industry parties raising Modifications

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Timetable		
<b>The Code Administrator recommends the following timetable:</b>		
Code Administrator Consultation Report issued to the Industry	11 October 2019	
Draft Final Modification Report presented to Panel	21 November 2019	
Modification Panel decision	29 November 2019	
Final Modification Report issued to the Authority	13 December 2019	
Decision implemented in CUSC	4 April 2020	

 **Any questions?**

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**Proposer Details**

<b>Details of Proposer:</b> (Organisation Name)	Simon Sheridan National Grid ESO
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	Electricity System Operator
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	
<b>Attachments (Yes/No):</b> <b>If Yes, Title and No. of pages of each Attachment:</b>	

**Impact on Core Industry Documentation.**

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

<b>BSC</b>	<input type="checkbox"/>
<b>Grid Code</b>	<input type="checkbox"/>
<b>STC</b>	<input type="checkbox"/>
<b>Other</b>	<input type="checkbox"/>

(Please specify) - No impacts because of this particular Modification

## 1 Summary

### Defect

The CUSC needs to incorporate the EBGL change process laid out in A6 and A10 of EBGL, for future amendments to A18 T and Cs for Balancing Service Providers (BSPs) and Balancing Responsible Parties (BRPs). This is currently proposed to be implemented by National Grid ESO for 4 April 2020.

Currently NGENSO or the Authority are the only parties able to raise a change to the A18 T and Cs, which this means all other CUSC parties raising Modifications will not be able to raise an A18 change proposal necessary for parts of the CUSC that are identified as being part of the A18 T and Cs. Updating the CUSC Governance process will ensure the EBGL process is followed and the modification process remains clear and impact is minimised for industry.

### What

Updates need to be made to ensure that when future changes are made to the A18 T and Cs that are found in the CUSC, the correct procedure is followed as laid out in EBGL.

In addition:

- Any Workgroup Consultation must be open for 1-month and all consultation responses received must be responded to by National Grid ESO, with justification as to why they will be considered or not.
- A draft EBGL A18 proposal must be also raised during the CUSC modification process;
- There must be a process to ensure that any send back by the Authority goes back through the whole EBGL amendment process; and
- CUSC Modifications raised that affect the A18 T and Cs will have to go to the Authority for a decision so Self Governance cannot be an option in these circumstances.

### Why

We need to make this change to ensure that we remove the risk of the EBGL process not being followed and ensure the modification process remains as efficient and inclusive for all parties to the Code.

### How

By making changes to the CUSC Governance Rules we can capture the necessary changes, which will ensure the EBGL process is followed.

## 2 Governance

### Requested Next Steps

This Modification should:

- follow standard governance process; and
- proceed to Code Administrator Consultation

These are administrative changes to the CUSC Governance Rules only and therefore we suggest that this Modification goes straight to Code Administrator Consultation.

## 3 Why Change?

Making this change will ensure that we are compliant with EU law and the correct processes are followed.

- We need to make this change to minimise the risk of the EBGL process not being followed. EBGL A6 and A10 lay out the procedure that must be followed when making changes to the A18 T and Cs for BSPs and BRPs.
- Some of these T and Cs are found in the CUSC and the current Governance Rules do not meet the requirements under EBGL - namely there is no 1-month workgroup consultation or responsibility on National Grid ESO to feedback justification against consultation responses.
- There is no process which recognises that an EBGL draft proposal needs raising or allows other CUSC parties to do so.
- There is currently no process to ensure all Modifications go to the Authority or for capturing send back from the Authority.

## 4 Code Specific Matters

### Technical Skillsets

Understanding of Code Governance processes and EBGL (specifically requirements in Articles 6, 10 and 18.

### Reference Documents

EBGL guidelines

[https://www.entsoe.eu/network\\_codes/eb/](https://www.entsoe.eu/network_codes/eb/)

CUSC Governance Rules

<https://www.nationalgrideso.com/document/91381/download>

## 5 Solution

By making changes to the section of the CUSC Governance Rules we can capture the necessary changes, which will ensure the EBGL process is followed.

Also ensuring that all CUSC Parties can raise changes to the A18 T and Cs held within the CUSC.

## 6 Impacts & Other Considerations

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

No.

### Consumer Impacts

None

## 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 (Standard):	
Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	None
(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;	None
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	Positive
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

This proposal positively impacts objectives c and d. Most obviously for c as this proposal is fundamental in ensuring that we capture the EBGL EU regulations and without it we run a high risk of being non-compliant running a process outside of the CUSC framework. It also has a positive impact on administration of the CUSC as it ensures that these processes are captured in the governance rules so that the code can still be managed in an efficient way by the Code Governance team without room for

error. Updating the CUSC Governance process will ensure the EBGL process is followed and the modification process remains clear and impact is minimised for industry.

## 8 Implementation

We need to be mindful of 4 April 2020 which is the current projected date that the EBGL A18 T and Cs will be implemented on.

However, we hope Ofgem will approve the A18 T and Cs on 4 October 2019.

Therefore, from the date Ofgem have granted such approval, we need to ensure that “in-flight” modifications also conform to the change process in EBGL to avoid the need for a further consultation post implementation i.e. after 4 April 2020.

## 9 Legal Text

### Text Commentary

We have identified the areas of the CUSC that need to be updated these are:

- Sections of the Governance Rules and the Glossary, namely sections 8 and 11

These areas currently house the governance rules which surround the Workgroup Consultation procedure, and this is where these changes best sit to ensure compliance.

## 10 Recommendations

### Proposer’s Recommendation to Panel

Panel is asked to agree that

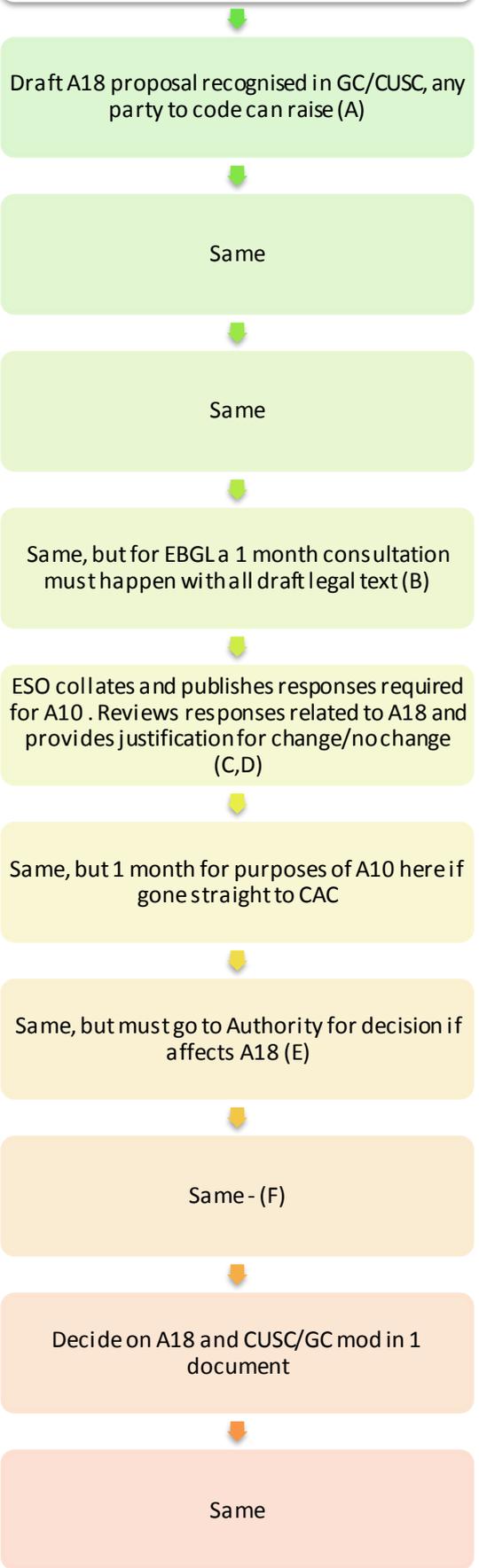
- This is a standard governance modification; and
- This modification should proceed to Code Administrator Consultation.

## 11 Annex 1 – CUSC and Grid Code Process Comparison

## GC/CUSC modification current process



## Incorporating necessary EBGL A18 changes



## Necessary changes to Code Governance for the EBGL change process to be incorporated:

- A. Insert a statement into GC/CUSC to recognise the A18 draft proposal - **part of ESO Mod**
- B. State EBGL 1-month consultation with legal text must happen at workgroup. This must include draft legal text for the original and any alternatives – **part of ESO mod**
  - a. In practice this might mean sometimes it could be necessary to carry out 2 workgroup consultations (standard one and 1 month one for EBGL) to ensure the legal text has been consulted on for the purposes of EBGL
- C. Collation of responses, ESO to review and publish – **part of ESO mod**
- D. ESO will respond to A18 industry feedback and reasons for make changes or not to legal text - **part of ESO mod**
- E. Ensure all mods that impact A18 in the codes go to the Authority for a decision – **part of ESO mod**
- F. Submission of the final A18 change proposal needs to be recognised as part of the existing process - **part of ESO mod**  
Note only (not part of mod):
- G. The objective for A18 T and Cs should be around compliance and will be added to standard consultation questions and Terms of Reference
  - a. For example: “Does this proposed change prevent compliance with A18 T and Cs as laid out in the CUSC/GC?”