



Making a positive difference
for energy consumers

Trisha McAuley OBE

CUSC Panel Chair
Faraday House
Gallows Hill
Warwick
CV34 6DA

Direct Dial: 020 7901 7000

Email: TCR@ofgem.gov.uk

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Dear Trisha,

Re: Connection and Use of System Code (CUSC) Modification Panel Request
for Urgency and Recommended Timetables, for:

- CMP327 'Removing the Generator Residual from TNUoS Charges (TCR)' and CMP317 'Identification and exclusion of Assets Required for Connection when setting Generator Transmission Network Use of System (TNUoS) charges'
- CMP332 'Transmission Demand Residual bandings and allocation (TCR)'
- CMP333 'BSUoS – Charging Supplier Users on gross demand (TCR)'

On 2 December 2019 Ofgem received a request on behalf of the CUSC Panel for urgency for CMP327 and CMP317. On 19 December 2019 Ofgem received similar requests for CMP332 and CMP333.

Following consideration of these requests, we have decided not to grant urgency to these modification proposals at this time.

Background

The Targeted Charging Review (TCR) decision and Direction was published by Ofgem on 21 November 2019. In response to this Direction, National Grid Electricity System Operator

Limited (ESO) has raised the following modification proposals to give effect to the TCR decision and Direction:

- CMP327, which was amalgamated with CMP317 on 29 January 2020
- CMP332
- CMP333

In the letter of 2 December, the CUSC Panel supported the ESO's position as the Proposer, that CMP327 and CMP317 should be treated as urgent in order to meet the 1 April 2021 implementation timeline required by the Authority.

In the letter dated 19 December, the CUSC Panel supported the ESO's position as the Proposer, that CMP332 should be treated as urgent, to allow for submission of the Final Modification Report (FMR) by February 2020 in order to allow for the necessary system and process changes to take place in compliance with the Direction.

In a separate letter also dated 19 December, the CUSC Panel supports the ESO's position as the Proposer, that CMP333 should be treated as urgent, as an urgent timeline is required for the ESO to avoid legal consequences.

On 20 December the Energy Networks Association (ENA) sent us the TCR Project Initiation Document (PID) on behalf of the ESO and Distribution Network Operators, with input from other key stakeholders. The PID includes detailed project timelines for the above CUSC modifications.

The timeline in the PID for CMP 327 (p. 41-42) shows a standard consultation period and a planned submission date for the FMR to the Authority on 8 June 2020.

The timelines in the PID for CMP 332 (p. 26) and CMP333 (p. 37) show standard consultation periods and submission of FMRs to the Authority in May 2020.

The PID also includes project timelines for implementing the system and process changes for implementation of the relevant modifications by 1 April 2021.

Our decision on urgency

In reaching our decision not to grant urgent status we have considered the Proposer's justification for urgency and the modifications, including the timetable proposed for

implementation in the PID. We have assessed the request against the urgency criteria set out in Ofgem's published guidance.¹

The guidance sets out that an urgent modification should be linked to an imminent issue or a current issue, that if not urgently addressed may cause:

- a significant commercial impact on parties, consumers or other stakeholder(s); or
 - a significant impact on the safety and security of the electricity and/or gas systems;
- or
- a party to be in breach of any relevant legal requirements.

Our view is that the requests did not contain sufficient evidence that there were issues linked to these modifications which would be mitigated through urgency. This is because the timetables set out in the PID show that there is sufficient time for standard consultation periods for these modifications and these timelines will allow for the required TCR changes to be implemented in time for April 2021. Further, we consider that the CUSC modification process should allow sufficient opportunity for industry to consider and submit their views in respect of these modification proposals and that a non-urgent timetable can deliver this outcome if used appropriately.

For the avoidance of doubt, we directed these modifications with clear expectations around the timelines in which they should be implemented, following detailed consultation. We expect all industry participants to take steps, and provide sufficient priority to these modifications to ensure that the timelines set out in the PID are followed, and the modifications submitted to us in good time for decision and implementation ahead of the stated implementation dates.

The status of the modification proposal can still be changed to urgent in response to a future request. If timelines change such that the workgroups are not able to produce their FMRs according to the schedules outlined in the PID, we expect further requests for urgency to be submitted to us for consideration.

We recommend that future requests for urgency provide a clear link between the significant issues that align to our guidance and the change in timelines, or otherwise, that would result from the modification being granted urgent status.

¹ Ofgem Guidance on Code Modification Urgency Criteria (<https://www.ofgem.gov.uk/publications-and-updates/ofgem-guidance-code-modification-urgency-criteria-0>)

For the avoidance of doubt, in not granting the request for urgency, we have made no assessment of the merits of the proposals and nothing in this letter in any way fetters our discretion in respect of these proposals.

If you have any queries or comments in relation to the issues raised in this letter, please contact us by email at TCR@ofgem.gov.uk in the first instance.

Yours sincerely,

Andrew Self

Deputy Director, Electricity Access & Charging

For and on behalf of the Authority