

Transmission Charging Methodologies Forum and CUSC Issues Steering Group

Meeting 103

2 April 2020



Agenda

1	Introduction, meeting objectives	Jon Wisdom NGESO	10.30 – 10.35
2	Code admin update	Paul Mullen NGESO	10.35 – 10.45
3	TCR 1 – Transmission Demand Residual (TDR)	Grahame Neale NGESO	10.45 – 10:55
4	TCR 2 – Transmission Generation Residual (TGR)	Jon Wisdom NGESO	10:55 – 11:00
5	TCR 3 – BSUoS Gross Demand	Jenny Doherty NGESO	11:00 – 11.05
6	Network Residual Charges Update	Jenny Doherty NGESO	11:05 – 11:10
7	TCR 4 – BSUoS Task Force Update	Jon Wisdom NGESO	11.10 – 11.15
8	Accelerated Loss of Mains Change Programme (ALoMCP)	Stephen Marshall NGESO	11.15 – 11.30
9	AOB	Jon Wisdom NGESO	11.30 – 11.35

Introduction and meeting objectives

Action - April 2020 - Update on ALoMCP



Code Administrator Update

Paul Mullen

2 April 2020

National Grid ESO



Authority Decisions/Implementations (as at 2 April 2020)

- **31 March 2020** - Ofgem approved NGENSO's request for withdrawal of CMP332 (Creation of a methodology to determine (i) the charging bands and (ii) the tariffs for each band).
- **1 April 2020** – Ofgem approved Panel's request for Urgency on CMP337/338.

Authority Decisions – Pending (as at 2 April)

Modification Number	What is this Modification doing	Decision/ Implementation
CMP280, CMP281 and CMP319	Remove the liability from storage facilities to the TNUoS Demand Residual tariff element (CMP280) and BSUoS charges on imports (CMP281). CMP319 raised to carry out changes to the CUSC definitions as a result of CMP280 and CMP281.	Implementation 1 April 2021: CMP281 and CMP319 decision by end March 2020 but delayed by publishing moratorium; CMP280 decision Q2 2020 as superceded by CMP334
CMP292	Looking to ensure that the charging methodologies are fixed in advance of the relevant Charging Year to Electricity System Operator to appropriately set and forecast charges.	Implementation 1 April 2021: Decision expected summer 2020
CMP303	To make part of the TNUoS charge more cost-reflective through removal of additional costs from local circuit expansion factors that are incurred beyond the connected, or to-be-connected, generation developers' need.	Implementation 1 April 2021: Decision expected June 2020

Authority Decisions – Pending (as at 2 April)

Modification Number	What is this Modification doing	Decision/ Implementation
CMP306	Align the rate of return applied to the net asset value of connection points in the calculation of annual connection charges to the pre-tax cost of capital in the price control of the Relevant Transmission Licensee (plus a margin of 1.5 percentage points in the case of MEA-linked assets).	Implementation 1 April 2021: Decision was expected by end March 2020 but delayed by publishing moratorium
CMP320	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.	Implementation 1 April 2021: Decision expected June 2020

New Modifications (raised at March Special Panel)

Modification Number	What is this Modification doing	Panel Decision
CMP337/338	CMP337 seeks to allow Distribution Network Operators to contribute to the cost of new transmission assets, and allow this contribution to be netted off from the Transmission Owner's actual project costs in a way which maintains the exact pro-rating of costs between local and wider TNUoS charge elements as is currently in place. CMP338 introduces a new definition of "Cost Adjustment" to give effect to CMP337.	<p>A Special CUSC Modifications Panel on 18 March 2020 met to consider this request for Urgency and unanimously recommended that CMP337/CMP338 should be treated as an Urgent CUSC Modification Proposal.</p> <p>On 23 March 2020, Panel formally requested approval from Ofgem that this Modification is an Urgent CUSC Modification Proposal under CUSC Section 8.24.4. Decision approving urgency received 1 April 2020.</p>

New Modifications (raised at March Special Panel)

Modification Number	What is this Modification doing	Panel Decision
CMP339	Allow the CMP317/327 Workgroup to develop the appropriate definitions needed for the Original and any alternative proposals and any other changes outside of Section 14 as appropriate.	<p>Panel unanimously recommended that CMP339 should be treated as an Urgent CUSC Modification Proposal (subject to Ofgem Approval).</p> <p>Panel also unanimously recommended that no Workgroup Consultation phase is needed for CMP339 (subject to Ofgem Approval).</p> <p>On 23 March 2020, Panel formally requested approval from Ofgem that this Modification is an Urgent CUSC Modification Proposal under CUSC Section 8.24 and that we are allowed (under CUSC Section 8.24.7) to deviate from part of the CUSC Modification Procedures specifically the removal of the need for a Workgroup Consultation. This request asked for a decision by 27 March 2020</p>
CMP340	Allow the CMP332 Workgroup to develop the appropriate definitions needed for the Original and any alternative proposals and any other changes outside of Section 14 as appropriate.	As above but note though that there now isn't a need for Urgency with the withdrawal of CMP332

New Modifications (raised at March Normal Panel)

Modification Number	What is this Modification doing	Panel Decision
CMP341	Seeks to enable parties to be derogated from specific CUSC obligations in order to conduct small-scale, time-limited live trials of innovative technologies, connections, products or services.	The CUSC Panel on 27 March 2020 recommended that CMP341 would follow standard governance and be progressed via a joint workgroup with the equivalent Grid Code Modification (GC0140) due to the level of crossover between the 2 Modifications. Terms of Reference were agreed for CMP341 and the Code Administrator will ensure that there is alignment (where needed) with the Terms of Reference agreed for GC0140.

In Flight Modification Updates



In flight Modifications

1 Workgroup Consultation raised in March

- CMP334 – closes 15 April 2020

1 Code Administrator Consultation raised in March

- CMP323 closes 8 April
- CMP333 to be issued 20 April

12 Workgroups held in March

For updates on all “live” Modifications please visit “Modification Tracker” at:
<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc>

Prioritisation Stack

Tranche 1 - TCR Modifications and High Priority Modifications
(CMP324/325 and CMP337/338)



Tranche 2 – Modifications to be progressed in Q1/Q2 2020
where gaps arise (CMP311, CMP326, CMP316, CMP304)



Tranche 3 – Modifications to be progressed from June 2020

2020 Dates



CUSC 2020 Workgroups and Panel dates

CUSC - Workgroups	1	2	3	4
March	6	12	20	26
April	3	9	15	23
May	8	14	22	28
June	5	10	15	25
July	10	16	24	30
August	7	13	21	27
September	4	10	18	24
October	9	14	23	29
November	6	11	16	23
December	30/11	7	17	21

CUSC	Panel Dates	Papers Day	Modification Submission Date	TCMF
January	31	23	16	9
February	28	20	13	6
March	27	19	12	5
April	24	16	7	2
May	29	21	14	7
June	26	18	11	4
July	31	23	16	9
August	28	20	13	6
September	25	17	10	3
October	30	22	15	8
November	27	19	12	5
December	18	10	3	26/11

Update - Targeted Charging Review (TCR)

April 2020



TGR and BSUoS Updates

Transmission Generation Residual

- Still planned for April 2021 implementation
- Workgroup consultation completed
- Still in Workgroup discussions

BSUoS

- CMP333 taken to CUSC panel at the end of March
- Out for Code Admin Consultation in mid April

Network Residual Charges Update

CMP332 withdrawal and update

- NGENSO have been working with Ofgem on the impact of a 2021 implementation
- CMP332 raised in December 2019 to implement the TCR direction.
- NGENSO wrote to Ofgem on 25th March requesting withdrawal of CMP332, a copy of the letter is available [here](#)
- Ofgem responded on 31st March approving withdrawal of CMP332 but directing implementation of the TCR decision in April 2022 instead. A copy of Ofgem's letter is available [here](#).
- Other than the change in implementation date, all other aspects of the direction remain unchanged.
- NGENSO to raise the CMP332 replacement modification in May.

Second BSUoS Task Force Update

April 2020



Upcoming Dates

Date	Event/Milestone	Purpose
30-Jan	TF Meeting 1	Deliverable 1 - Analysis
12-Feb	TF Meeting 2	Deliverable 1 – Analysis/Conclusion
25-Feb	TF Meeting 3	Deliverable 2 - Analysis
11-Mar	TF Meeting 4	Deliverable 2 – Analysis/Conclusion
01-Apr	TF Meeting 5	Options/Report
16-Apr	WebEx	Review Interim Report and Consultation
21- April	Webinar	Update Industry
23-April	Consultation Opens (25 Working Days)	Industry feedback
28-May	Consultation Closes	-

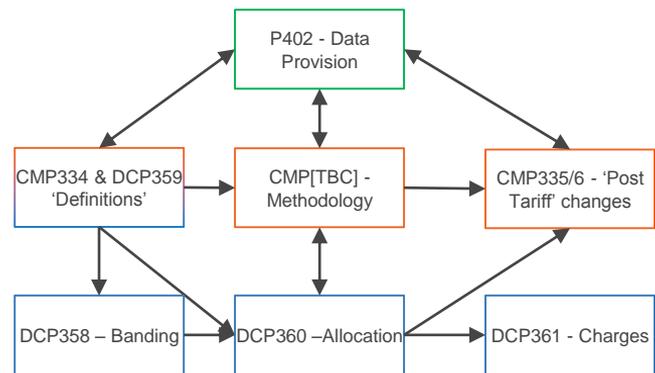
<http://www.chargingfutures.com/charging-reforms/task-forces/second-balancing-services-charges-task-force/resources/>

Network Residual Charges Update

Other CUSC and DCUSA modifications

- Only impact on CUSC, BSC and DCUSA mods as a result of CMP332 withdrawal is a delay to the implementation date of CMP335/6 and P402 (to April 2022).
- All other network residual modifications progressing;

Modification	Update
DCP358/60	Consultation closes 17 th April
DCP359	Consultation closes 10 th April
DCP361	Consultation to be issued early May
CMP334	Consultation closes 14 th April
CMP335/6	Consultation to be issued shortly
P402	In workgroup discussions
CMP332 replacement	To be raised May 2020



CUSC
DCUSA
BSC

TCMF April 20

Accelerated Loss of Mains Change Programme (ALoMCP)

April 2020



nationalgridESO

Update – Apr'20

Overview

- We are now in the 3rd Application window – which remains open for generators to apply for funding via the ENA portal
- Across the 1st two windows we have accepted £12m of works scheduled to take place within 12mths
- These works could save £10m in FY20/21 alone and repeatedly on an annual basis thereafter
- Almost 1k works have now been completed (=c£4m of payments)
- We are now at the critical stage where DNOs are required to verify that these works have been completed satisfactorily before paying generators, to give us confidence that the programme is effective

Impact of Coronavirus

- Site visits / works are currently classified as 'non-essential' and therefore the programme has been temporarily ceased
- We are liaising with BEIS regarding this classification as our Stability needs are no less real in times of lower demand
- We are also increasing stakeholder comms through this period with a webinar held last Friday (27/2/20)
- Meanwhile we're actively exploring with DNOs what process changes we can make to keep momentum over the weeks ahead

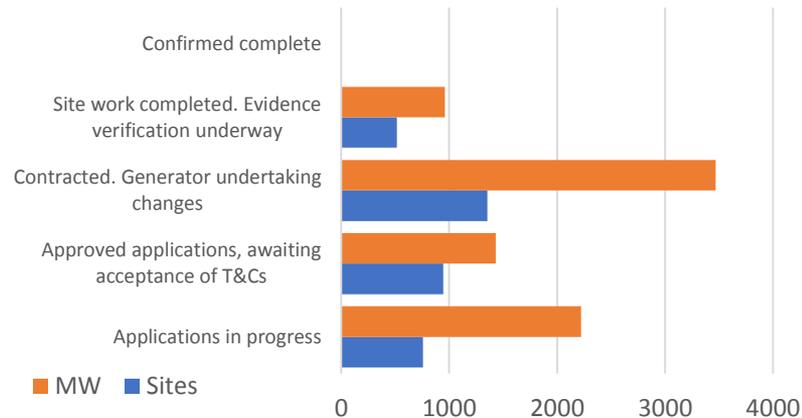
BSUoS recovery

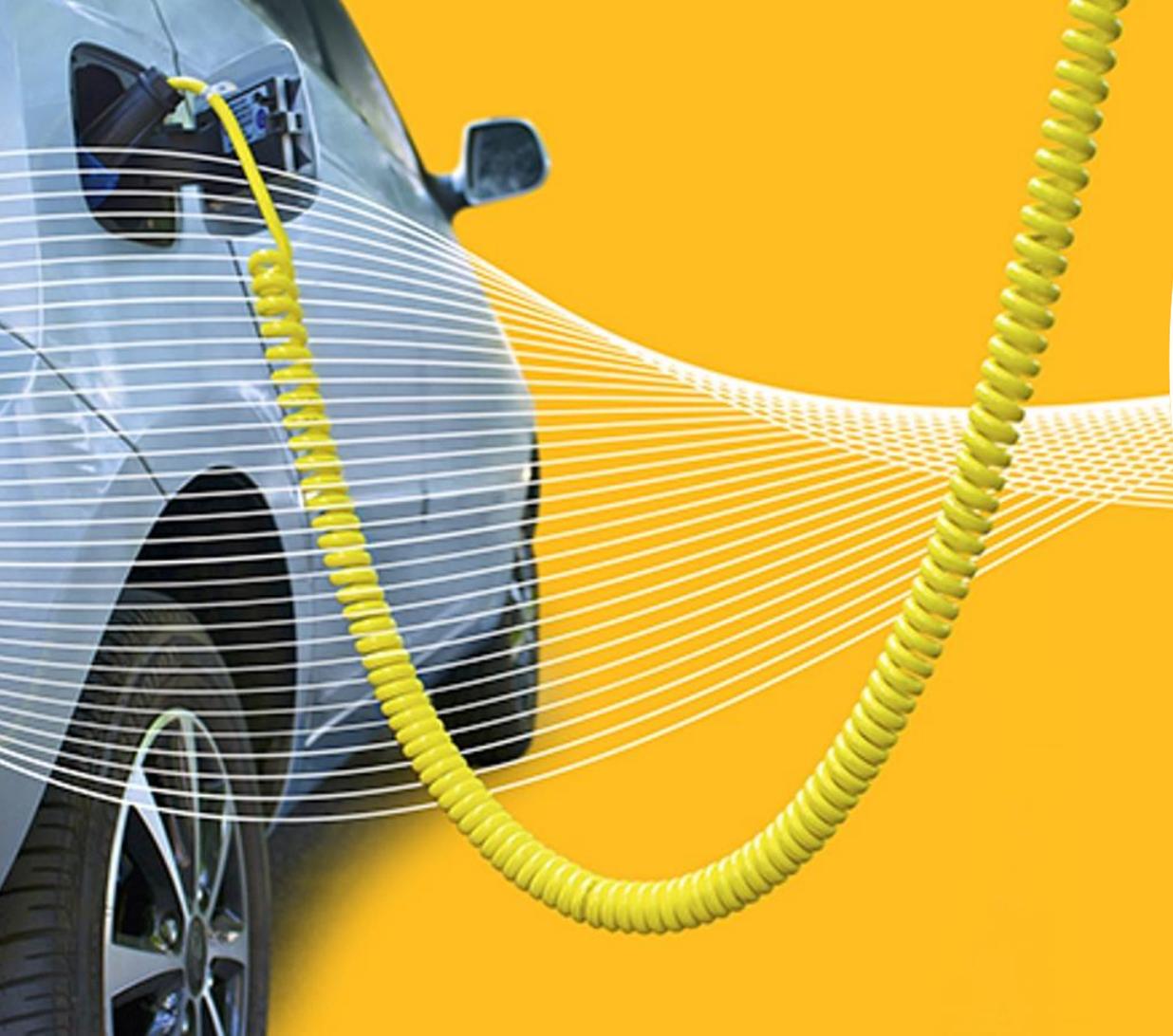
- 23 With £4m recovery in FY19/20 covering the cost of works completed to-date, we'll continue to hold-off charging until costs surpass this level

Table 1 – Application volumes

Window	Applications	Volume Applied	Volume Accepted	Provider Payment
W1	1933	5.48GW	4.3GW	£6.8m
W2	1388	2.25GW	2.2GW	£5.3m
Total	3321	7.73GW	6.5GW	£12.1m

Table 2 – Application status





Questions & AOB

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