

CUSC Final Self-Governance Modification Report

CMP346: Price Control Updates to Charging Parameters

Overview:

This modification seeks to amend incorrect and misleading references to old charging parameters in CUSC Section 14.

Modification process & timetable



Have 3 minutes Read our [Executive summary](#)

Have 10 minutes Read the full [Final Self-Governance Modification Report](#)

Have 20 minutes Read the full [Final Self-Governance Modification Report](#) and annexes

Status summary: The CUSC Panel have unanimously determined that this should be implemented.

This modification is expected to have a:
Low impact
Generator Users liable for TNUoS charges and Users liable for connection charges.

Governance route
The CUSC Panel by majority agreed that this modification should follow the self-governance route and proceed to Code Administrator Consultation. The Panel made the decision on whether it should be implemented.

Who can I talk to about the change?

Proposer:

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Appeals Window	If you want to appeal this decision, please send your appeals form and relevant documentary evidence to industrycodes@ofgem.gov.uk by 5pm on 27 October 2020 and ensure you copy in cusc.team@nationalgrideso.com
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Executive Summary

CMP346 intends to amend any incorrect and misleading references to old charging parameters in Section 14 of the CUSC.

What is the issue?

CUSC Section 14 defines a number of parameters that are used to derive Transmission Network Use of System (TNUoS) tariffs and also Connection charges, which must be reviewed and updated in preparation for the start of each new price control period.

Many of the parameters described in Section 14 have values included within the text which are either currently out of date or will be once they have been updated in preparation for the forthcoming RIIO-2 price control period, to apply from April 2021.

What is the solution and when will it come into effect?

Proposers solution:

This modification seeks to amend references to out of date charging parameters in CUSC Section 14, by removing the parameter values and instead referring the User to the Charging Statement, a document which ESO are obliged to publish in line with condition C5A of the National Grid Electricity System Operator Electricity Transmission Licence and is published each year on the [NGESO website](#). This contains up to date values for each parameter.

Implementation date:

The proposed implementation date is 01 April 2021 providing no appeals are received by 5pm on 27 October 2020.

Panel determination:

The CUSC Panel have unanimously determined that this should be implemented.

What is the impact if this change is made?

Who will it impact?

This modification will have a low impact on Generator Users liable for TNUoS charges and Users liable for connection charges.

Introduction

This document is the CMP346 **Final Self-Governance Modification Report**. This document outlines;

- **What is the issue?**
- **What is the solution?**
 - Proposer's solution
 - Legal text
- **What is the impact of this change?**
- Code Administrator Consultation summary
- Panel Determination Vote
- **When will the change taken place?**
- Acronym table and reference material

What is the issue?

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CUSC Section 14 defines a number of parameters that are used to derive Transmission Network Use of System (TNUoS) tariffs and also Connection charges, which must be reviewed and updated in preparation for the start of each new price control period.

Many of the parameters described in Section 14 have values included within the text which are either currently out of date or will be once they have been updated in preparation for the forthcoming RIIO-2 price control period, to apply from April 2021.

Changes would be limited to Section 14 of the CUSC to clarify, for each affected input parameter, where to find the current parameter value.

Why is it an issue?

The inclusion of out of date parameters within CUSC section 14 is misleading and unhelpful to Users, it may lead to confusion and the potential use of incorrect data.

By referencing the Charging Statement, which is updated annually, this will provide customers with one accurate place to find current parameters, which will improve the clarity of charges. It also removes the need for annual CUSC modifications to be raised to maintain current values where parameters are subject to annual indexation.

What is the solution?

Proposer's solution:

This modification seeks to amend references to out of date charging parameters in CUSC Section 14. By removing the parameter values and referring the User to the Charging Statement, a document which the ESO publish in line with condition C5A of the National Grid Electricity System Operator Electricity Transmission Licence and is published each year on the [NGESO website](#). This contains up to date values for each parameter.

Where example calculations are given for a parameter, these will be updated, where necessary, to ensure it is clear that it is not the current data that is being used. For clarity, if any impacted paragraphs also contain out of date references (to other paragraphs within the CUSC), these will also be updated.

Publication of the revised charging parameters in the charging statement, will;

- avoid the potential for incorrect, out of date, parameters to be available which could inadvertently be used by customers;
- avoid additional administrative burden on the industry of having to raise annual CUSC modifications to keep the parameters up to date for those which are subject to annual indexation.

For the avoidance of doubt, this modification is limited to those charging parameters, tariffs and generation charging zones which are reviewed at the start of a new price control period.

This modification intends to modify the location of the charging parameter values only. There is no change to the charging methodology for calculation of the charging parameters, and therefore there is no impact on the collection of Transmission Owner or Offshore Transmission Owner allowed revenue.

Legal text

The legal text for this change can be found in Annex 3.

What is the impact of this change?

Who will it impact?

This modification will have a low impact on Generator Users liable for TNUoS charges and Users liable for connection charges.

Proposer's Assessment against Code Objectives

Impact of the modification on the Code objectives:	
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);	None

(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;	None
(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 Transmission Licence under Standard Condition C10, paragraph 1; and	None
(e) Promoting efficiency in the implementation and administration of the system charging methodology.	Positive
*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).	

Demonstration of how the Relative Objectives are furthered:

(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

The changes remove a barrier to entry which could be caused by incorrect or misleading information being included in the CUSC. Confusion where out of date parameter values is still available could cause new customers to inadvertently use incorrect information.

(e) Promoting efficiency in the implementation and administration of the CUSC arrangements.

The changes will provide customers with one accurate place to find current parameters and will only require a single CUSC modification to achieve it. This avoids additional administrative burden on the industry of having to raise annual CUSC modifications to keep the parameters up to date for those which are subject to annual indexation.

Code Administrator Consultation Summary

The Code Administrator Consultation was issued on the 20 August 2020 and closed on 11 September 2020. No responses were received.

Panel Determination Vote

The CUSC Panel met on the 25 September 2020 to carry out their determination vote.

They assessed whether a change should be made to the CUSC by assessing the proposed change against the Applicable Objectives.

CMP346

Vote 1: Does the Original facilitate the objectives better than the Baseline (the current CUSC arrangements)?

Panel Member - Andy Pace

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Yes	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement This mod updates the charging parameters used within Section 14 of CUSC and therefore ensures that the CUSC is up to date and providing more accurate data to stakeholders, thereby better meeting applicable CUSC objectives (A) and (E).						

Panel Member – Cem Suleyman

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement Amending incorrect references better facilitates Applicable CUSC Objective (e).						

Panel Member – Garth Graham

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement Updating the incorrect information in the way that this proposal intends will better facilitate the relevant applicable objectives.						

Panel Member – Grace March

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Yes	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement Including out of date information in the CUSC creates confusion for new Users, or those seeking to understand an area of the CUSC that is unfamiliar to them, such as becoming						

exposed to a new charge. Correcting this will there make the CUSC easier to use and understand for all parties and this modification provides an efficient way to do so.

Panel Member – Mark Herring for Jon Wisdom

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Yes	Neutral	Neutral	Neutral	Yes	Yes

Voting Statement

CMP346 will update Section 14 to ensure that correct references are used.

This better facilitates objective (a) as the changes remove a barrier to entry which could be caused by users being unable to find the correct parameters.

It also better facilitates objective (e) as there is one place to find current parameters and will only require a single CUSC modification to achieve it. This avoids additional administrative burden on the industry of having to raise annual CUSC modifications to keep the parameters up to date for those which are subject to annual indexation.

Panel Member – Simon Lord for Joe Dunn

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes

Voting Statement

CMP 346 will amend incorrect reference to Price Control Charging Parameters in section 14 of the CUSC

Panel Member – Mark Duffield

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Neutral	Neutral	Neutral	Neutral	Yes	Yes

Voting Statement

Removing the out of date references and replacing them with a more easily maintainable process by publishing future values within the Charging Statements rather than hard coded within CUSC will improve efficiency.

Panel Member – Paul Jones

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Yes	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement						
Improves efficiency and clarity of the arrangements by removing potentially out of date references to charging parameter values and indicating that up to date values can be found in the statement of use of system charges.						

Panel Member – Paul Mott

	Better facilitates ACO (a)?	Better facilitates ACO (b)?	Better facilitates ACO (c)?	Better facilitates ACO (d)?	Better facilitates ACO (e)?	Overall (Y/N)
Original	Yes	Neutral	Neutral	Neutral	Yes	Yes
Voting Statement						
The changes will provide CUSC parties with one accurate place to find current parameters with no further mods needed each price control and no going out-of-date due to annual-indexed values hard coded into CUSC at the start of a price control, not being altered due to the impracticality of raising further annual CUSC mods to inflate them to their new value by year. If the parameters are hard-coded as per the past approach, they are at risk of simply going out of date. The clarity CMP346 can bring, if implemented, would better facilitate (e) code efficiency, and perhaps slightly (a) competition (through improved clarity).						

Vote 2 – Which option is the best?

Panel Member	BEST Option?
Andy Pace	Original
Cem Suleyman	Original
Garth Graham	Original
Grace March	Original
Mark Herring for Jon Wisdom	Original

Simon Lord for Joe Dunn	Original
Mark Duffield	Original
Paul Jones	Original
Paul Mott	Original

Panel conclusion

The CUSC Panel have unanimously determined that this should be implemented.

When will this change take place?

Implementation date:

The proposed implementation date is 01 April 2021 providing no appeals are received by 5pm on 27 October 2020.

Implementation approach:

This modification contains clarifications for calculations that are linked to the Price Control it would ideally be approved prior to the beginning of the RIIO-2 price control period, in April 2021, for implementation on 01 April 2021.

Acronym table and reference material

Acronym	Meaning
ACER	Agency for the Cooperation of Energy Regulators
CUSC	Connection and Use of System Code
NGESO	National Grid Electricity System Operator
SCR	Significant Code Review
STC	System Operator Transmission Owner Code
TCMF	Transmission Charging Methodology Forum
TNUoS	Transmission Network Use of System
TRC	Transmission Running Cost

Reference material:

1. <https://www.nationalgrideso.com/industry-information/charging/charging-guidance>

Annexes

Annex	Information
Annex 1	CMP346 Proposal Form
Annex 2	Self-Governance Statement
Annex 3	Legal Text