

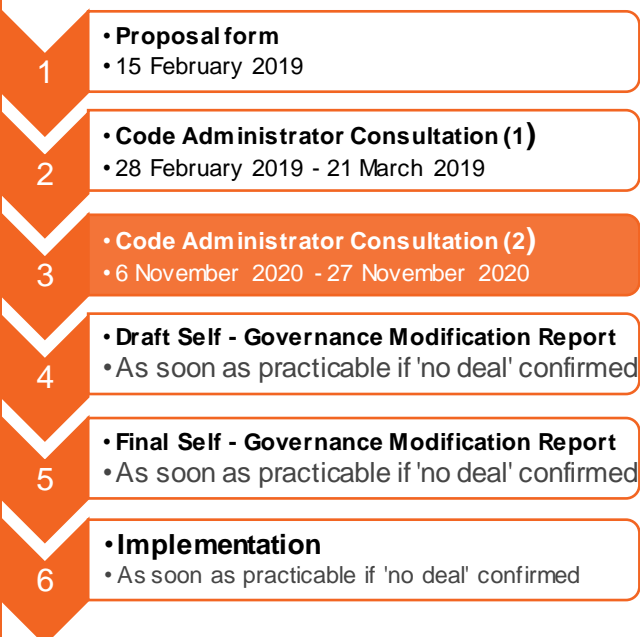
CUSC Code Administrator Consultation (2)

CMP310

CUSC changes in the event the UK leaves the EU without an agreement

Overview: CMP310 aims to ensure that retained EU law will function effectively in the context of the CUSC. In the event the United Kingdom leaves the European Union without an agreement, it will ensure that the CUSC takes into account the provisions in the relevant Statutory Instruments that have been prepared under the European Union (Withdrawal) Act 2018 as well as relevant consequential licence modifications.

Modification process &



Have 5 minutes? Read our Executive summary

Have 20 minutes? Read the full Code Administrator Consultation

Have 30 minutes? Read the full Code Administrator Consultation and annexes

Status summary: CMP310 was first presented to CUSC Panel on 22 February 2019. A Code Administrator Consultation has already been held from 28 February 2019 to 21 March 2019 (the “First Code Administrator Consultation”). Although, there have been no legal text changes since the First Code Administrator Consultation was ran, the CUSC Panel on 30 October 2020 agreed with the Code Administrator’s proposal to have a Second Code Administrator Consultation given the time that has elapsed since the First Code Administrator Consultation.

This modification is expected to have: No impact

Governance Route

This modification will proceed straight to Code Administrator Consultation and the Panel will make the decision on whether it should be implemented.

Who can I talk to about the change?

Proposer: Katharina Birkner,
National Grid ESO

Katharina.birkner@nationalgrideso.com

Phone: 07773647025

Code Administrator Contact:
Ren Walker

Lurrentia.walker@nationalgrideso.com

Phone: 07976 940 855

How do I respond?	Send your response proforma to cusc.team@nationalgrideso.com by 5pm on 27 November 2020 .
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What is the issue?

In the event the UK leaves the EU without an agreement, the CUSC needs to be amended to ensure the provisions in the relevant Statutory Instruments that have been prepared under the European Union (Withdrawal) Act 2018, as well as relevant consequential licence modifications, will function effectively in the context of the CUSC section 14.

The CUSC contains a small number of references to EU Regulation and EU entities that require revision. The proposed modifications will ensure that the CUSC section 14 is aligned with retained EU law and licence obligations, in the event of 'no deal' and from 'Exit Day'.

Why change?

Following the outcome of a referendum on UK membership of the EU on 23 June 2016, the UK government notified its intention to leave the EU in March 2017 (as permitted by Article 50 of the Treaty on European Union). This departure will become effective on IP completion day (currently legislated for 23:00 on 31 December 2020). From IP completion day, EU Regulations will no longer be directly applicable in the UK and EU entities will no longer have a part to play in the creation of UK policy and legislation.

However, the approach specified in the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) is to incorporate EU law into UK law (where possible). The UK Government has published statutory instruments with the aim of correcting or removing inoperable provisions of EU Regulations and amending them, relevant to the electricity industry, such that they reflect the UK no longer being an EU Member State. The Authority is also proceeding with a statutory consultation on consequential licence modifications.

As a consequence, the CUSC needs to be changed so that the references appropriately reflect this change in approach.

What is the Proposer's solution?

It is proposed to modify existing references to EU Regulations with appropriate references so that the references appropriately reflect the change in status to Retained EU law as foreseen in the European Union (Withdrawal) Act 2018 and the relevant Statutory Instruments that have been prepared under it.

Draft Legal text

The legal text changes shown in red are the changes to the current CUSC.

No additional changes have been included since the First Code Administrator Consultation.

CUSC - SECTION 14 – CHARGING METHODOLOGIES

14.14.5 In April 2004 The Company introduced a DC Loadflow (DCLF) ICRP based transport model for the England and Wales charging methodology. The DCLF model has been extended to incorporate Scottish network data with existing England and Wales network data to form the GB network in the model. In April 2005, the GB charging methodology implemented the following proposals: [...]

v.) The application of a Transmission Network Use of System Revenue split between generation and demand where the proportion of the total revenue paid by generation, for the purposes of tariff setting for a charging year n , is x times the total revenue, where x is:

1. Whilst ~~Retained EU Law European Commission Regulation 838/2010 Part B paragraph 3~~ (or any subsequent regulation specifying such a limit on annual average transmission charge payable by generation) is in effect (a "Limiting Regulation") then $x_n = [...]$
2. Where there is no Limiting Regulation, then x for charging year n is set as the value of x used in the last charging year for which there was a Limiting Regulation.

What is the impact of this change?

Proposer's Assessment against CUSC Charging 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 as it ensures the CUSC is accurate to avoid confusion
(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	None

businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);	
(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 *; and	None
(e) Promoting efficiency in the implementation and administration of the use of system charging methodology.	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).	

Impact of the modification on the stakeholder / consumer benefit categories

Proposer's assessment:

Stakeholder / consumer benefit categories	Identified impact
Improved safety and reliability of the system	None
Lower bills than would otherwise be the case	None
Benefits for society as a whole	None
Reduced environmental damage	None
Improved quality of service	None

Code Administrator Consultation question: Do you believe that the CMP310 Original proposal better facilitates the Applicable CUSC Objectives?

When will this change take place?

Implementation date:

No implementation timescales are proposed, although implementation of this Modification would be sought as soon as practicable following the end of the transition period. However, implementation is specifically dependent upon the implementation of the relevant Statutory Instruments that have been prepared under the European Union (Withdrawal) Act 2018 as

well as relevant consequential licence modifications and so implementation of this proposal should align with the Statutory Instruments and licence modifications.

Date decision required by:

As soon as practicable if 'no deal' confirmed.

Implementation approach:

No implementation costs are associated with this Modification.

Code Administrator Consultation question: Do you support the implementation approach?

Interactions

None.

First Code Administrator Consultation Summary

The First Code Administrator Consultation was held from 28 February 2019 to 21 March 2019. One response was received which supported the modification. The full response can be found in Annex 3.

Although, there have been no legal text changes since the First Code Administrator Consultation was ran, the CUSC Panel on 30 October 2020 agreed with the Code Administrator's proposal to have a Second Code Administrator Consultation given the time that has elapsed since the First Code Administrator Consultation.

How to Respond**Code Administrator Consultation questions:**

- Do you believe that the CMP310 proposal better facilitates the Applicable Objectives?
- Do you support the implementation approach?
- Do you have any further comments?

Views are invited on the proposals outlined in this consultation, which should be received by **5pm on 27 November 2020**. Please send your response to cusc.team@nationalgrideso.com using the response pro-forma which can be found on the [modification page](#).

If you wish to submit a confidential response, please note that information provided in response to this consultation will be published on National Grid ESO's website unless the response is clearly marked "Private & Confidential", we will contact you to establish the extent of the confidentiality. A response marked "Private & Confidential" will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the CUSC Modifications Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response. Please note an automatic confidentiality disclaimer generated by your IT System will not in itself, mean that your response is treated as if it had been marked "Private and Confidential".

Acronyms, key terms and reference material

Acronym / key term	Meaning
Brexit	UK leaving the European Union following result of 2016 EU exit referendum
EU	European Union
IP completion day	Implementation Period completion day, which is expected to be the 31 December 2020.
European Union Withdrawal Act 2018	European Union Withdrawal Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020

Reference material:

[European Union \(Withdrawal\) Act 2018](#)

[The Electricity and Gas etc. \(Amendment etc.\) \(EU Exit\) Regulations 2019](#)

[The Electricity Network Codes and Guidelines \(Markets and Trading\) \(Amendment\) \(EU Exit\) Regulations 2019](#)

[The Electricity Network Codes and Guidelines \(System Operation and Connection\) \(Amendment etc.\) \(EU Exit\) Regulations 2019](#)

[The Electricity and Gas \(Market Integrity and Transparency\) \(Amendment\) \(EU Exit\) Regulations 2019](#)

[Statutory Consultation on licence modification in the event the UK leaves the EU without a deal](#)

Annexes

Annex	Information
Annex 1	CMP310 Proposal Form
Annex 2	Self- Governance Statement
Annex 3	First Code Administrator Consultation Response