

# CUSC Panel

**Monday 22 March 2021**

**Online Meeting via Teams**

# WELCOME



**nationalgrid**ESO



# New modifications submitted



**CMP367: Urgent housekeeping modification as a result of 1 April implementations**

**Ren Walker/Paul Mullen – Code Administrator**

# CMP367 Background

- In 2020, several CMPs were raised which looked to change elements of the BSUoS charging arrangements detailed in Section 14 of the CUSC including:
  - **CMP281**: Removal of BSUoS Charges From Energy Taken From the National Grid System by Storage Facilities
  - **CMP333**: BSUoS - charging Supplier Users on gross demand (TCR)
  - **CMP350**: Changes to the BSUoS Covid Support Scheme
  - **CMP360**: Aligning Section 14 of the CUSC 'Balancing Services Use of System Charging Methodology' to the licence changes introduced by RIIO-2 in respect of the 'System Operator Revenue Restriction'
- **CMP333 & CMP360** made changes to various elements of the formulas used to calculate the External (*BSUoS<sub>EXT</sub>*) & Internal (*BSUoS<sub>INT</sub>*) BSUoS charges
- During drafting of the final baseline CUSC version for **April 2021** it has come to light that the changes to the formulas introduced by **CMP333 & CMP360** have some overlap. Although applying the proposed changes individually from the respective modifications does result in the correct formulas, there would not be a version of legal text to implement from 1 April 2021 which has been consulted on / approved in its complete form. Therefore it is proposed that **CMP367** be raised as urgent to address this.
- **CMP367** also ensures that the numbering of Section 14.30 of the CUSC is correct.

# CMP367 - Formula Change Example

- Below is an example of the **BSUoSINT** formula changes introduced by both **CMP333 & CMP360** with the complete version proposed by the **CMP367** legal text

## Original Baseline

$$BSUoSINT_{jd} = [(SOPU_d + SOMOD_d + SOEMR_d + SOEMRCO_d + SOTRU_d) * RPIF_t] \\ * \left\{ \left| \sum^+ (QMBSUoS_{ijd} * TLM_{ijd}) \right| + \left| \sum^- (QMBSUoS_{ijd} * TLM_{ijd}) \right| \right\} \\ / \sum_{j \in d} \left\{ \left| \sum^+ (QMBSUoS_{ij} * TLM_{ij}) \right| + \left| \sum^- (QMBSUoS_{ij} * TLM_{ij}) \right| \right\}$$

## CMP330 - changes the bottom part of the baseline formula to update BSUoS liable volumes i.e. to Gross

$$BSUoSINT_{jd} = [(SOPU_d + SOMOD_d + SOEMR_d + SOEMRCO_d + SOTRU_d) * RPIF_t] \\ * (TQM_{ijd} + SGQM_{ijd}) / \sum_{j \in d} (TQM_{ij} + SGQM_{ij})$$

## CMP360 - changes the top part of the baseline formula to align with the RIIO-2 licence conditions

$$BSUoSINT_{jd} = [(ADJR_d + SOLAR_d)] \\ * \left\{ \left| \sum^+ (QMBSUoS_{ijd} * TLM_{ijd}) \right| + \left| \sum^- (QMBSUoS_{ijd} * TLM_{ijd}) \right| \right\} \\ / \sum_{j \in d} \left\{ \left| \sum^+ (QMBSUoS_{ij} * TLM_{ij}) \right| + \left| \sum^- (QMBSUoS_{ij} * TLM_{ij}) \right| \right\}$$

## CMP367 – incorporates both changes to original baseline

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$$BSUoSINT_{jd} = [(ADJR_d + SOLAR_d)] \\ * (TQM_{ijd} + SGQM_{ijd}) / \sum_{j \in d} (TQM_{ij} + SGQM_{ij})$$

# Ofgem's Urgency Criteria

Ofgem's current view is that an urgent modification should be linked to an imminent issue or a current issue that if not urgently addressed may cause:

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

More information can be found at:

[https://www.ofgem.gov.uk/system/files/docs/2016/02/urgency\\_criteria.pdf](https://www.ofgem.gov.uk/system/files/docs/2016/02/urgency_criteria.pdf)

# Proposer's Justification vs Ofgem's Urgency Criteria

The Proposer recommends that this modification should be treated as an Urgent Modification proposal and proceed directly to Code Administrator Consultation.

Ofgem's Urgency Criteria	Proposer's Justification
a) A significant commercial impact on parties, consumers or other stakeholder(s).	n/a
b) A significant impact on the safety and security of the electricity and/or gas systems.	n/a
c) A party to be in breach of any relevant legal requirements	Without this modification, there would not be a version of legal text to implement from 1 April 2021 which has been consulted on / approved in its complete form, therefore we would technically be working outside of the CUSC.

## Timeline for CMP367

Milestone	Date
Modification presented to Panel	22 March 2021 (2.30pm - 3pm)
Urgency letter to Ofgem	22 March 2021 (by 5pm)
Ofgem grant Urgency	23 March 2021 (2pm)
Code Administrator Consultation (2 working days)	23 March 2021 (3pm) to 25 March 2021 (3pm)
Draft Final Modification Report (DFMR) issued to Panel	25 March 2021 (by 5pm)
Panel undertake DFMR recommendation vote	26 March 2021 (at CUSC Panel)
Final Modification Report issued to Panel to check votes recorded correctly	26 March 2021 (2pm)
Final Modification Report issued to Ofgem	26 March 2021 (4pm)
Ofgem decision	30 March 2021 (5pm)
Implementation Date	1 April 2021



# CMP367 - the asks of Panel

- **AGREE** that this Modification should proceed directly to Code Administrator Consultation
- **NOTE** that there aren't any impacts anticipated on the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the CUSC
- **VOTE** whether or not to recommend Urgency
- **AGREE** timetable for Urgency
- **NOTE** next steps:
  - Under CUSC Section 8.24.4, we will now consult the Authority as to whether this Modification is an Urgent CUSC Modification Proposal
    - Letter to be sent to Ofgem **22 March 2021 (by 5pm)**
    - Ofgem approval of Urgent treatment sought **by 2pm on 23 March 2021**
    - Code Administrator Consultation to be run **from 3pm on 23 March 2021 to 3pm on 25 March 2021**

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**AOB**

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