Workgroup Consultation

CMP363 / CMP364:

'TNUoS Demand Residual charges for transmission connected sites with a mix of Final and non-Final Demand & Definition changes for CMP363'

Overview:

CMP363 seeks to clarify the TNUoS Demand Residual charging arrangements for transmission connected sites that have a mix of Final and non-Final Demand.

CMP364 is to support CMP363 by changing Section 11 to add/amend/remove definitions as needed.

Modification process & timetable

1. **Proposal Form** — 10 December 2020
2. **Workgroup Consultation** — 10 May 2021 – 01 June 2021
3. **Workgroup Report** — 17 June 2021
4. **Code Administrator Consultation** — 28 June 2021 - 19 July 2021 (5pm)
5. **Draft Modification Report** — 22 July 2021
6. **Final Modification Report** — 02 August 2021
7. **Implementation** — 01 April 2022

Have 5 minutes? Read our Executive summary

Have 20 minutes? Read the full Workgroup Consultation

Have 30 minutes? Read the full Workgroup Consultation and Annexes.

Status summary: The Workgroup are seeking your views on the work completed to date to form the final solution(s) to the issue raised.

This modification is expected to have a:
Medium impact: Transmission connected sites with a mixture of Final and non-Final Demand, the ESO, ELEXON

Governance route	Standard Governance with a Workgroup	
Who can I talk to about the change?	**Proposer:** Grahame Neale Grahame.Neale@nationalgrideso.Com Phone: 07787261242	**Code Administrator Chair**: Paul Mullen Paul.j.mullen@nationalgrideso.com Phone: 07794537028
How do I respond?	Send your response proforma to cusc.team@nationalgrideso.com **by 5pm on 1 June 2021**	

Contents

Executive summary

CMP363/364 seeks to clarify the TNUoS Demand Residual charging arrangements for transmission connected sites that have a mix of Final and non-Final Demand ("Mixed Demand").

What is the issue?

As part of Ofgem's TCR decision[1], they directed that network demand residual charges should be charged to sites with Final Demand and so CMP334[2] was raised to define what a 'Final Demand Site' should be.

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

Proposer's solution:

Section 14 Changes - Clarify the Charging arrangements for "complicated" transmission connected sites

Charging methodology explicitly states that if there is 'mixed demand' (combination of Final and non-Final Demand), it will be treated as Final Demand.	A Single Site with mixed demand will have the TNUoS Demand Residual methodology applied based on the sum of its Final and mixed demand. i.e. Non-Final Demand will not be included if it is separately identifiable via a meter or BMU.	The charge is applied on a Single Site basis irrespective of the number of connection points that site may have to the transmission network or other networks. Applicability of the methodology will be based on the sum of all connection points to the transmission network.	Transmission connected unlicensed networks will have no special treatment in the TNUoS methodology and so will be treated as transmission connected.

Section 11 Changes

In the definition of 'Final Demand Site', replace "All Users" with "For Users"	No changes to the definition of "Declarations"; however, there will be enhancements to the process and associated guidance

This modification is only targeting Transmission connected sites and DCUSA arrangements will apply for distribution connected sites.

[1] https://www.ofgem.gov.uk/publications-and-updates/targeted-charging-review-decision-and-impact-assessment

[2] https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp334

Implementation date:
The earlier of CMP343/CMP340[3] or CMP308[4], currently 1 April 2022 to align with CMP343/CMP340 as of writing. This would require a decision by 1 October 2021.

Summary of potential alternative solution(s) and implementation date(s):
None at this stage.

What is the impact if this change is made?

This would clarify the arrangements for and provide an opportunity for sites with Mixed Demand. Metering will be required, and the cost of Metering required will be weighed up by such "complicated sites" to determine if viable. More detail can be found in the "Workgroup assessment of Impacts" section of this document.

Interactions

This modification has no interactions with EBGL Article 18 Terms and Conditions.

What is the issue?

As part of Ofgem's TCR decision[5], they directed that network demand residual charges should be charged to sites with Final Demand and so CMP334[6] was raised to define what a 'Final Demand Site'[7] should be;

This definition would then be applied to the TNUoS methodology that was created under CMP343/CMP340[8]. CMP340/343 is still awaiting an Ofgem decision. However, Ofgem in their decision on CMP334 stated that sites that have a mix of Final and non-Final Demand had not been adequately covered (hence the raising of CMP363/364) and as part of that decision Ofgem specifically stated the following:

*"**Obligation to address private wire and complex sites***
As noted in our assessment on [Applicable CUSC Objective] ACO (a) we believe that the obligation of the TCR Direction to address private wire and complex sites has not been discharged.

[3] https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp343-and-cmp340#tab-tab-6
[4] https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp308-removal
[5] https://www.ofgem.gov.uk/publications-and-updates/targeted-charging-review-decision-and-impact-assessment
[6] https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp334
[7] *"Final Demand Site" definition is:*

1. All Users with a Bilateral Connection Agreement, a Single Site which has associated Final Demand, except Single Sites which are for; a. Users who own or operate a Distribution System, or b. Interconnector Users, or c. Users of a Non-Final Demand Site with a valid Declaration
2. For Users with a Bilateral Embedded Generation Agreement or BELLA, as defined as 'Final Demand Site' in the DCUSA except Non-Final Demand Site with a valid Declaration
3. For all other parties, as defined as 'Final Demand Site' in the DCUSA"

[8] https://www.nationalgrideso.com/industry-information/codes/connection-and-use-system-code-cusc-old/modifications/cmp343-and-cmp340

We expect the new modification to be developed in a way that allows implementation by April 2022. This will provide the Workgroup the opportunity to establish a comprehensive approach to treating private wires and complex sites, as it will allow for different potential scenarios and potential consequences to be explored in detail. We note that there may be a need for further changes to other industry codes as a result of this modification. For clarity, we expect that any proposal brought forward will ensure that:

- *sites that would not be subject to the TDR under CMP334 WACM1 would be not be subject to the TDR if they exist in a private wire/complex site; and*
- *any site in a private wire/complex site that has associated final demand would be liable for the TDR in a proportionate way."*

The term "complex site" in the context of the TCR relates to sites that have a mix of Final and Non-Final Demand and 'Private Wires' is in reference to licence exempt networks operating in accordance with The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001. Both are colloquial terms used in the industry and so have no formally recognised meaning – and neither are recognised by CUSC. The Workgroup agreed to use the term "complicated sites" to avoid confusion for wider industry. The arrangements for TNUoS Demand Residual charges for such Transmission connected complicated sites needs to be clarified which CMP363/364 seeks to address.

Why change?

This change will both ensure that:

- Calculation of TNUoS Demand Residual charges are transparent for Sites which are 'complicated'; and
- The ESO is fully compliant with Ofgem's TCR direction.

What is the solution?

Proposer's solution

Section 14 Changes - Clarify the Charging arrangements for "complicated" transmission connected sites

Charging methodology explicitly states that if there is 'mixed demand' (combination of Final and non-Final Demand), it will be treated as Final Demand.	A Single Site with mixed demand will have the TNUoS Demand Residual methodology applied based on the sum of its Final and mixed demand. i.e. Non-Final Demand will not be included if it is separately identifiable via a meter or BMU.	The charge is applied on a Single Site basis irrespective of the number of connection points that site may have to the transmission network or other networks. Applicability of the methodology will be based on the sum of all connection points to the transmission network.	Transmission connected unlicensed networks will have no special treatment in the TNUoS methodology and so will be treated as transmission connected.

Section 11 Changes

In the definition of 'Final Demand Site', replace "All Users" with "For Users"	No changes to the definition of "Declarations"; however, there will be enhancements to the process and associated guidance

CMP363/364 is only targeting Transmission connected sites and DCUSA arrangements will apply for distribution connected sites. However, there is an equivalent DCUSA Modification DCP388[9] to define mixed sites and the Workgroup agreed that it is important we are close to this to ensure a consistent approach across transmission and distribution. The Workgroup noted that DCP388 Workgroup has yet to meet. However, they agreed to issue the Workgroup Consultation and further consider consistency across transmission and distribution at the Workgroups to be held post Workgroup Consultation.

Not in Scope

CMP363/364 does not look to review what a 'Site' or 'Final Demand' is or how the TNUoS Demand Residual charge is calculated, but how they're applied in the scenarios considered by the Workgroup.

CMP363/364 only applies to Transmission connected sites.

[9] https://www.dcusa.co.uk/wp-content/uploads/2021/04/DCP-388-Change-Proposal-Form.pdf This was presented to DCUSA Panel on 22 April 2021

Some Workgroup members noted that there are some "Sites" that have Transmission and Distribution Demand and they will be charged for both TNUoS (based on consumption) and DUoS (based on capacity). However, this is not within the scope of this change.

The Proposer noted that the principles of this Modification could be mirrored over to BSUoS. However, this is not in scope of this change and 1 Workgroup Member additionally urged caution on trying to factor in this solution a future TNUoS/BSUoS solution given the complexity this could introduce.

Workgroup considerations

The Workgroup convened 3 times to discuss the perceived issue, detail the scope of the proposed defect, devise potential solutions and assess the proposal in terms of the Applicable Code Objectives.

Consideration of the Proposer's solution

Clarify the arrangements for "complicated sites"

The Workgroup identified 8 transmission connected scenarios to test the Proposer's solution against. These scenarios are summarised in the table below and set out in Annex 4 together with assumptions and notes to help the reader understand what each scenario is showing.

Scenario Reference	What the scenario is covering
1	Mixed Demand Site (simple)
2	Mixed Demand Site (multi-feeder)
3	Interconnected Sites
4	Unlicensed networks (1 large site or multiple small sites)
5	Multi-network connection
6	Final Demand with additional 'nested' demand
7	Non-Final Demand with additional 'nested' demand
8	Flow through' site

The Proposer noted that each of these scenarios show a unique situation; however, these scenarios can be combined together to reflect the need of a particular Site if needed.

They added that these scenarios relate only to those connections that have a direct relationship with the ESO (i.e. Transmission Connected sites with BCAs) and that Sites connected to the Distribution network (including sites contracted with the ESO with a BEGA) will follow the approach in DCUSA. The Proposer noted that the ESO is currently aware of up to 70 transmission sites which would be affected by this change proposal, and their reasonable expectation is that a "Site" would only declare they have "Mixed Demand" if by doing so would mean they are in a lower transmission band.

The Workgroup reviewed each of the identified scenarios to see if the proposed solution would identify mixed demand and identify any BSC or Grid Code implications to consider.

As far as the Workgroup could determine, there are no Grid Code or BSC requirements that would prohibit these arrangements.

Workgroup Consultation Question: The Workgroup does not believe there are any Grid Code or BSC requirements that would prohibit the CMP363/364 Original Proposal. Do you agree or do you believe that any other consequential code changes are required to facilitate this change? Please provide the rationale for your response.

The Proposer noted that this change looks to establish the concept of using metering to separately identify Final Demand and Non-Final Demand volumes within a Site and feed this data to the ESO so that only Final Demand volume is used in the TNUoS charging methodologies. The specific methods of how this is done will vary by site. However, the Workgroup agreed to several principles:

- Any volumes that aren't declared to be Non-Final Demand will be treated as Final Demand;
- The least number of meters should be used to accurately identify Final and Non-Final Demand volumes for simplicity and ease of calculation;
- Use of the boundary meter as part of the calculation is encouraged and considered best practice (i.e. boundary meter volumes minus other meters) but isn't mandated.
- Difference/net metering can be used to identify Final Demand volumes by metering Non-Final Demand volumes and vice versa; and
- It is the prerogative of the Site to determine if/how the above is applied and informed to the ESO via the declaration.

The Proposer confirmed that, from a Transmission perspective, the ESO do not recognise 'unlicensed networks' in the CUSC or TNUoS methodology and so this type of connection would be treated as a either licensed network connection (for DNOs/iDNOs) or a standard 'demand' connection if they didn't have a licence. In practice, the ESO would consider the whole unlicensed network as a single large/combined site and would apply TNUoS charges accordingly. The 'Site' could still use metering to isolate non-final demand and that would be factored into the TNUoS charges applied to the Site. However, the charges would be applied on a Site basis and not on an 'embedded site level'. It would be for the owner of the unlicensed network to determine if they wish to break this charge down further.

Workgroup Consultation Question: The Workgroup has assessed the practicalities of the proposed solution against a number of different scenarios, which are represented diagrammatically in Annex 4. Do you agree with the Workgroup's initial assessment and do you believe there are any other scenarios that need to be tested?

The Workgroup noted that Metering would be required for each scenario - whether this metering aligns with Settlement Metering (as per the BSC) or Operational Metering (as per the Grid Code)[10] is still to be determined; however, the Proposer has expressed a preference for using Settlement Metering and the Workgroup identified the pros and cons, which is set out in the attached table:

	Pros	Cons
Settlement Metering [11](as per BSC Section K)	Existing process known / well understood by industry Minimal new development cost Takes into account losses behind the Meter	Higher operating costs for those needing Metering Additional obligations More requests for BMU metering that need to be managed and added complexity as Dispensations for behind the meter points, non-standard BMU configurations Carries a number of separate impacts including public data visibility
Operational Metering (as defined in Grid Code CC.6.5.6)	More Cost Effective for parties, who can potentially use existing metering. Don't need something that has to comply with BSC Metering Codes of Practice. The Grid Code and the Transmission Site's BCA has defined requirements for operational metering so can use these as the basis of a 'standard'	Development cost – ESO would need to undertake system and process changes Complexity in getting data (whether that be directly to the ESO or collected by ELEXON and passed to the ESO) as the Transmission Owners own the Supervisory Control and Data Acquisition (SCADA) system, which is used to monitor and control a plant or equipment. This is discussed further in the "Workgroup assessment of Impacts" Wouldn't take into account losses behind the Meter

Workgroup Consultation Question: Do you believe that the Metering should be Settlement Metering (as per the Original proposal) or Operational Metering? Please provide the rationale for your response including if possible, any implementation costs.

[11] A "Settlement Meter" is Metering system registered in Supplier Meter Registration Service (SMRS) or Central Meter Registration Service (CMRS)

Declarations

The Workgroup noted that there is a process whereby a User[12] (as defined in CUSC) can demonstrate they do not meet the "Final Demand Site" definition. Under this process, it is for the User to self-declare that they are using demand for the sole purpose of storage or generation at the site in question. Any Transmission Site will be assumed to have Final Demand (and therefore be liable for the TNUoS Demand Residual Charges based on volumes at the boundary point) unless they choose to declare otherwise. Whilst, there is no requirement to submit such a declaration, if they don't do this they will be charged as if they are a "Final Demand Site". If they are later proved to have submitted a false declaration, then that party would be in breach of CUSC. Existing guidance to support parties submitting such a declaration for Storage is available here - this guidance is in the process of being updated to reflect the CMP334 decision.

Although, the Proposer does not consider that changes to the definition of Declarations is required, they believe that the Declaration process (created by CMP319 and adapted by CMP334) needs to be enhanced.

The current definition of "Declaration" is set out below:

"Declaration" is a statement to be submitted by the Registrant of the relevant BM Unit(s) or Single Site, which:

i. is signed by one of the Storage Facility Operator's registered Directors that confirms that a Storage Facility fulfils the criteria set out in the definitions of SVA Storage Facility and CVA Storage Facility as applicable; and either
   a. for SVA Storage Facility only, is submitted in accordance with the BSC and contains other details that are required in accordance with BSC Section S; or
   b. for CVA Storage Facility only, identifies the specific BM Units which only perform activities necessary for Electricity Storage and is submitted to The Company.

ii. is signed by one of the Electricity Generation Facility's registered Directors that confirms that the Electricity Generation Facility only perform activities necessary for Electricity Generation and is submitted to The Company.

iii. Is signed by one of the Eligible Services Facility's registered Directors that confirms the Eligible Services Facility can only perform activities necessary for Eligible Services and does not consume any Active Power other than for the provision of Eligible Services and is submitted to The Company. The validity of an Declaration for an SVA Storage Facility is determined in accordance with BSC Section S, and of a Declaration for a CVA Storage Facility, Non-Final Demand Site and Eligible Services Facility is determined by The Company. A Declaration received by The Company will either be accepted or rejected within three Business Days and shall take effect on the effective date and time as notified to the Registrant. Any disagreement between The Company and the Registrant on the validity of a Declaration will be treated as a Charging Dispute.

[12] The intention of the declaration is that this only applies to NETS connected Users (who will be CUSC signatories)

Workgroup consultation question: The Proposer has noted that the definition of Declaration does not need to change. Do you agree? Please provide the rationale for your response.

The Proposer noted the need for simplicity and robustness and any declaration should include:

- Covering guidance note to state that:
  - A Transmission Site is not obliged to submit a declaration; however, they would liable for the TNUoS Demand Residual charge if they didn't submit such a declaration; and
  - Clarify that a false declaration would be a breach of CUSC, and they have a responsibility to keep the obligation up to date e.g. re-declare if there changes to Site usage that would impact on their Transmission Band.
- The name of the single "Site";
- Tick boxes as to whether or not it will have a mix of final demand or be pure non-final demand;
- Where there is Final Demand, a diagram showing the metering configuration (including metering identification) to capture, for complicated sites, the logic of how to isolate Non-Final Demand volumes from the rest of the site; and
- Signatures/sign off from their Company Directors in line with current CUSC processes.

Workgroup Members supported the Proposer's desire to harmonise (if possible) the BSUoS and TNUoS requirements in to a single declaration document although they noted there was a minor difference in scope between TNUoS and BSUoS for embedded Central Volume Allocation[13] (CVA) sites.

Workgroup consultation question: The Proposer has set out what they believe should be contained in any Declaration. Do you agree? Please provide the rationale for your response.

However, there was no Workgroup support for having time-limited declarations and noted that Declarations in other codes are not time limited. Some Workgroup Members argued there was a need to clarify the obligation on Users to re-declare where there are changes and some Workgroup Members asked the ESO to consider if there is any formal audit process, as exists in BSC, to monitor the declaration e.g. technical assurance audits, site visits. The Proposer stated they are not looking to formally codify that they will do a certain amounts of site visits. However, they would have their own process to do "spot checks" in line with the criteria[14] set out in CMP335/336, which sets out how/when the Transmission Demand Residual is recovered from parties once the methodology for how the Transmission Demand Residual charges are calculated is determined. The Workgroup

[13] The process for determining how much electricity is used or generated in a settlement period by customers or generating plant that is directly connected to the electricity transmission system or is otherwise registered in CVA under the Balancing and Settlement Code (BSC)

[14] The Final Modification Report for CMP335/336 states that "One key consideration, which is aligned across both transmission and distribution is that Parties would be only be able to dispute their banding where:

1) There has been a voltage level connection change;
2) After 12 months, consumption data is either ±50% than the figure used in the banding allocation;
3) There has been a notice of disconnection."

noted that CMP335/336 is still awaiting approval by Ofgem. Some Workgroup Members proposed that the ESO consider codifying that the ESO have the capability to do "spot checks" in the CUSC Legal text.

Draft legal text

Legal text will be drafted after the Workgroup Consultation has been completed.

What is the impact of this change?

Proposer's assessment against Code Objectives

Proposer's assessment against CUSC Charging Objectives - CMP363	
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** Provides clarity in the treatment of TNUoS charges in respect of more complicated sites to ensure a level playing field across these types of site.
(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);	**Neutral** No impact expected
(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;	**Positive** NGESO has been directed to raise this modification and implement its effects by the Authority.
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	**Neutral** No impact expected
(e) Promoting efficiency in the implementation and administration of the system charging methodology.	**Positive** Provides clarity in the treatment of TNUoS charges in respect of more complicated sites to ensure a level playing field across these types of site.
*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).	

Standard Workgroup consultation question: Do you believe that CMP363 Original proposal better facilitates the Applicable Objectives?

Proposer's assessment against CUSC Non-Charging Objectives – CMP364	
Relevant Objective	**Identified impact**
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	**Positive** NGESO has been directed to raise this modification and implement its effects by the Authority.
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	**Positive** Provides clarity in the treatment of TNUoS charges in respect of more complicated sites to ensure a level playing field across these types of site.
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	**Neutral** No impact expected
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	**Positive** Provides clarity in the treatment of TNUoS charges in respect of more complicated sites to ensure a level playing field across these types of site.
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

Standard Workgroup consultation question: Do you believe that CMP364 Original proposal better facilitates the Applicable Objectives?

Workgroup assessment of Impacts

Transmission connected sites with a mixture of Final and non-Final Demand – Prior to this change, Private Wire / Behind the Meter sites would be unable to sign a declaration that they have no Final Demand because they do have some Final Demand. They would have to enter into a new agreement with the Network Operator and install separate Boundary Metering to prove they are using demand for the sole purpose of storage or generation. Whilst some form of Metering will still be needed, this change will provide clarity in the treatment of TNUoS charges in respect of more complicated sites. They will be able to show clearly where their final and non-final demand is within their declaration and be charged accordingly and avoid the need to enter into new agreements with the Network Operator. It is not the intention of this Modification to oblige Users to install suitable metering, but without it, and a suitable Declaration, the Site will be charged as Final Demand at the Boundary Point.

The DUoS arrangements are outside the scope of this change.

ESO and ELEXON – the impact on ESO and ELEXON depends on the Metering arrangements selected.

If using Settlement Metering, then there is minimal impact on the ESO. However, ELEXON may receive additional requests at the Imbalance Settlement Group[15] for non-standard BMU metering, which will add time from a process perspective and potentially more complex metering arrangements. However, ELEXON have recently raised Issue 88 to look at metering for such complicated sites although a Workgroup Member noted that Issue 88 is only relevant to Supplier Volume Allocation[16] (SVA) – it is not considering CVA.

If Operational Metering is utilised, then ESO would need to undertake system and process changes including data provision, which could be directly to the ESO or collected by ELEXON and passed to the ESO. Although both these are viable, work would need to be done on the SCADA system to accept the new meter input/data feed. The ESO do not own the SCADA, the Transmission Owners do. Therefore, Users would need to follow the Modification Application process for these works and apply to ESO, who would then in turn apply to the Transmission Owners. This process is time consuming and could be expensive for Users in terms of application fees and cost of works (expectation is that these could be tens of thousands per site) on the SCADA system. Some Workgroup Members noted that the cost could vary from site to site due to the complexity of the SCADA system, which may outweigh the benefits of self-declaring.

Workgroup consultation question - Will the CMP363 and/or CMP364 Original Proposal impact your business. If so, how?

[15] The Imbalance Settlement Group is responsible for overseeing the operation of the Imbalance Settlement processes and systems in the Central Volume Allocation (CVA) Market
[16] The process for determining how much each electricity supplier's customers use in a settlement period.

When will this change take place?

Implementation date

Given the intent to use the declaration process for both TNUoS and BSUoS charges, this modification will need to be implemented for the earlier of CMP308 or CMP343. Currently, CMP343 is expected to be the earlier of the two with a date of 1 April 2022.

However, on 1 April 2021, Ofgem published an open letter[17] noting that with the upcoming elections, they will not publish their minded-to decision and impact assessment on CMP343 until after 6 May 2021. In their 1 April 2021 open letter, they also noted that their minded-to position on implementation date for Transmission Demand Residual reforms is 1 April 2023 rather than 1 April 2022. However, without certainty we are progressing on the basis of a 1 April 2022 implementation date. For clarity, CMP308 is currently aiming for an implementation date of 1 April 2023.

Date decision required by

Noting the above, 1 October 2021 to allow sufficient time for the ESO processes to be adapted to reflect this decision, especially in respect of the declaration process. The Proposer noted that CMP363/364 needs to be sent to Ofgem in early to mid-August 2021 to get decision by start of October 2021 to allow implementation on 1 April 2022.

Implementation approach

The declaration process introduced by CMP319 (and used by CMP334) will need to be enhanced to account for the more complex requirements this proposal will introduce.

Standard Workgroup consultation question: Do you support the implementation approach?

Interactions

☒Grid Code	☒BSC	☐STC	☐SQSS
☐European Network Codes	☐ EBGL Article 18 T&Cs[4]	☐Other modifications	☐Other

[17] https://www.ofgem.gov.uk/publications-and-updates/open-letter-timing-cmp343

How to respond

CMP363 Standard Workgroup consultation questions

1. Do you believe that CMP363 Original proposal better facilitates the Applicable Objectives?
2. Do you support the proposed implementation approach?
3. Do you have any other comments?
4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?

CMP364 Standard Workgroup consultation questions

1. Do you believe that CMP364 Original proposal better facilitates the Applicable Objectives?
2. Do you support the proposed implementation approach?
3. Do you have any other comments?
4. Do you wish to raise a Workgroup Consultation Alternative request for the Workgroup to consider?

Specific CMP363/364 Workgroup consultation questions

5. The Workgroup does not believe there are any Grid Code or BSC requirements that would prohibit the CMP363/364 Original Proposal. Do you agree or do you believe that any other consequential code changes are required to facilitate this change? Please provide the rationale for your response.
6. The Workgroup has assessed the practicalities of the proposed solution against a number of different scenarios, which are represented diagrammatically in Annex 4. Do you agree with the Workgroup's initial assessment and do you believe there are any other scenarios that need to be tested?
7. Do you believe that the Metering should be Settlement Metering (as per the Original proposal) or Operational Metering? Please provide the rationale for your response including if possible, any implementation costs.
8. The Proposer has noted that the definition of Declaration does not need to change. Do you agree? Please provide the rationale for your response.
9. The Proposer has set out what they believe should be contained in any Declaration. Do you agree? Please provide the rationale for your response.
10. Will the CMP363 and/or CMP364 Original Proposal impact your business. If so how?

The Workgroup is seeking the views of CUSC Users and other interested parties in relation to the issues noted in this document and specifically in response to the questions above. Please send your response to cusc.team@nationalgrideso.com using the response pro-forma which can be found on the CMP363 / CMP364 modification page.

In accordance with Governance Rules if you wish to raise a Workgroup Consultation Alternative Request please fill in the form here.

If you wish to submit a confidential response, mark the relevant box on your consultation proforma. Confidential responses will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel, Workgroup or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BCA	Bilateral Connection Agreement
BEGA	Bilateral Embedded Generator Agreement
BSC	Balancing and Settlement Code
BSUoS	Balancing System Use of System Charges
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
CVA	Central Volume Allocation
DCUSA	Distribution Connection and Use of System Agreement
DNO	Distribution Network Operator
DUoS	Distribution Use of System charges
EBGL	Electricity Balancing Guideline
iDNO	Independent Distribution Network Operator
SCADA	Supervisory Control and Data Acquisition
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
SVA	Supplier Volume Allocation
T&Cs	Terms and Conditions
TNUoS	Transmission Network Use of System charges
TCR	Target Charging Review
TDR	Transmission Demand Residual
WACM	Workgroup Alternate CUSC Modification

Reference material

- No additional reference material

Annexes

Annex	Information
Annex 1	Proposal Form
Annex 2	Terms of Reference
Annex 3	Proposer Slides at Workgroup 1
Annex 4	Scenarios to test the Proposer's solution
Annex 5	Legal Text (to be provided post Workgroup Consultation)