CUSC Modification Proposal Form

CMP374: Extending contestability for Transmission Connections

Overview: To allow new connectees to construct transmission assets to facilitate their connection to the wider transmission network

Modification process & timetable

1. **Proposal Form** — 13 May 2021
2. **Workgroup Consultation** — 5 July 2021 – 26 July 2021
3. **Workgroup Report** — 27 August 2021
4. **Code Administrator Consultation** — 27 August 2021 – 20 September 2021
5. **Draft Final Modification Report** — 23 September 2021
6. **Final Modification Report** — 12 October 2021
7. **Implementation** — 01 April 2022

Status summary: The Proposer has raised a modification and is seeking a decision from the Panel on the governance route to be taken.

This modification is expected to have a: Medium impact

Generators / Transmission Owners, ESO

Proposer's recommendation of governance route	Standard Governance modification with assessment by a Workgroup. The Proposer recommends that this modification proposal and CMP330 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length' are to be amalgamated which would give the Workgroup the most scope to achieve the optimum solution.

Who can I talk to about the change?	**Proposer:**	**Code Administrator Contact:**
	Lambert Kleinjans Lambert.Kleinjans@energiekontor.co.uk Energiekontor UK Ltd **Alternative Proposer:** Andy Pace Andy.pace@energy-potential.com 0788 184 0007	Lurrentia Walker Lurrentia.walker@nationalgrideso.com 07976 940 855

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What is the issue?

In December 2019, EnergieKontor raised CUSC Modification proposal CMP330 'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length' which seeks to amend the definition of Connection Assets in section 14 of the CUSC to allow cable and overhead line lengths over 2km to be contestable where agreed between the Transmission Owner and the User. Following a Workgroup consultation and Workgroup discussions, the original solution was amended.

Following legal and CUSC Panel advice, the new solution proposed was out of scope of the original CMP330 defect and as such, advice was given that a new proposal should be raised to widen the defect and allow the modification to progress.

CMP374 seeks to allow new connectees to construct any length of connection assets, except where those connection assets are shared use.

Why change?

This modification proposes to introduce contestability in building sole use connection assets. This will enable more flexibility for users looking to connect to the transmission network and potentially enabling quicker and lower cost connections.

What is the Proposer's solution?

This modification proposes to amend the CUSC to allow contestability in the construction of connection assets and remove the link between contestability eligibility and TNUoS charging which creates a limit on contestable connections of 2km.

Draft Legal text

To be agreed by the Workgroup

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** By enabling new connectees to the transmission network to potentially source a cheaper and/or quicker connection by opening up more Connection Assets to contestability.
(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	**Neutral**

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;	**Positive** This introduces competition in building connection assets which results in the more efficient delivery of networks.
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	**Neutral**
(e) Promoting efficiency in the implementation and administration of the system charging methodology.	**Neutral**
*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).	

Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories	
Stakeholder / consumer benefit categories	**Identified impact**
Improved safety and reliability of the system	**Neutral**
Lower bills than would otherwise be the case	**Positive**
Benefits for society as a whole	**Positive** This mod potentially allows new renewable generation to connect more quickly and more cheaply helping GB move towards its carbon neutral target**.**
Reduced environmental damage	**Positive** This mod will allow renewable generation to connect more quickly.
Improved quality of service	**Neutral** This mod should not impact quality of service.

When will this change take place?

Implementation date
The proposed implementation date is 01 April 2022.

Date decision required by
Due to the cross code impacts that CMP374 has on the STC a decision is required as soon as possible.

Implementation approach
CMP374 amends Section 14 of the CUSC, however changes to the STC are likely to be required as a result of this proposal. It is essential that the Workgroup factor in the changes required to the STC to allow time for implementation.

Proposer's justification for governance route
Governance route: Standard Governance modification with assessment by a Workgroup

As the Proposer of CMP330 *'Allowing new Transmission Connected parties to build Connection Assets greater than 2km in length'*, this modification has been raised to widen the scope of the original defect. To enable both proposals to develop, the proposer is requesting amalgamation of CMP330 and CMP374, which would give the Workgroup the most scope to achieve the optimum solution.

Interactions

☐ Grid Code	☐ BSC	☒ STC	☐ SQSS
☐ European Network Codes	☐ EBGL Article 18 T&Cs[1]	☐ Other modifications	☐ Other

The STC will need to be amended to take account of the processes introduced under this modification to allow contestability.

[1] If your modification amends any of the clauses mapped out in Exhibit Y to the CUSC, it will change the Terms & Conditions relating to Balancing Service Providers. The modification will need to follow the process set out in Article 18 of the European Electricity Balancing Guideline (EBGL – EU Regulation 2017/2195) – the main aspect of this is that the modification will need to be consulted on for 1 month in the Code Administrator Consultation phase. N.B. This will also satisfy the requirements of the NCER process.

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CfD	Contracts for Difference Feed in Tariff – difference payments are made by either the Low Carbon Contracts Company to the generator or vice versa depending on whether the Reference Price is greater than or less than the 'strike price'.
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBGL	Electricity Balancing Guideline
LCCC	Low Carbon Contracts Company whose primary role is to manage CFDs with low carbon generators throughout their lifetime.
Reference Price	A measure of the average market price for electricity in the GB market
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
Strike Price	A price for electricity reflecting the cost of investing in a particular low carbon technology
T&Cs	Terms and Conditions

Reference material

- None provided