

CUSC Alternative and Workgroup Vote

CMP362 - BSUoS Reform: Consequential Definition Updates

Please note: To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

Stage 1 - Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) Vote on which of the options is best.

Terms used in this document

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

The applicable CUSC objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- 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;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- Promoting efficiency in the implementation and administration of the CUSC arrangements.

*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).

Workgroup Vote

Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

Should the majority of the Workgroup OR the Chairman believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

“Y” = Yes

“N” = No

“-“ = Neutral

Workgroup Member	A1	A2	A3	A4	A5	A6
Jennifer Doherty	Y	Y	Y	Y	Y	Y
Paul Jones	Y	Y	Y	Y	Y	Y
Joshua Logan	Y	Y	Y	Y	Y	Y
Simon Vicary	Y	Y	Y	Y	Y	Y
Matthew Cullen	Y	Y	Y	Y	Y	Y
Grace March	Y	Y	N	N	Y	Y
Lauren Jauss	Y	Y	Y	Y	Y	Y
George Moran	Y	Y	Y	Y	Y	Y
Damian Clough	Y	Y	Y	Y	Y	Y
WACM?						

Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Jennifer Doherty National Grid ESO				
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y

WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y

Voting Statement:

All WACMs are positive against the baseline, under objective d, as they are required to implement the associated CMP361 legal text.

Votes on the detail of the solution itself, have been covered through CMP361.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Paul Jones	Uniper UK Ltd			
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y

Voting Statement:

All options facilitate the implementation of associated CMP361 proposals.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Joshua Logan	Drax			
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y

Voting Statement:

All options facilitate the implementation of associated CMP361 proposals.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Simon Vicary	EDF Energy Customers Limited			
Original	-	-	-	Y	Y

WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y

Voting Statement:

All options facilitate the implementation of associated CMP361 proposals.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Matthew Cullen	E.ON UK			
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y

Voting Statement:

All options facilitate the implementation of associated CMP361 proposals.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Grace March	Sembcorp Energy UK Ltd			
Original	-	Y	-	-	Y
WACM1	-	Y	-	-	Y
WACM2	-	Y	-	-	Y
WACM3	-	-	-	-	-
WACM4	-	-	-	-	-
WACM5	-	Y	-	N	Y
WACM6	-	Y	-	N	Y

Voting Statement:

All solutions would address the defect of uncertainty in setting tariffs to account of BSUoS and so aid competition between suppliers. Solutions which do not feature a fund, to support the ESO's working capital, increase the risk of a mid-period reset and therefore do not remove the risk suppliers face in forecasting BSUoS. They will therefore rely very heavily on ESO's forecasting capabilities, as in the baseline, and so will place a 'risk premia' when setting tariffs to include BSUoS, as the current baseline. These solutions are therefore neutral against ACO(b), whilst all others are positive, as they do provide suppliers with greater certainty than

the baseline, which will encourage competition and avoid 'inflated' price to consumers. The slower fund collection through a cap (WACMs 5 and 6) does not address the defect as expediently as other solutions and are therefore less positive towards ACO b)

WACMs 5 and 6 are negative against objective d) as a fixed cap to the fund may be inappropriate in future, depending on the amount of the recovered and/or size of suppliers should the fund be reduced to zero in future. This would require urgent modifications and potentially create the shock to industry the proposer wishes to avoid. It would also place a practical challenge onto the ESO as the amount of money recovered will be an estimate based on the amount of final demand. In the case of under-recovery (below the £250m cap), the fund will take longer to be formed and over-recovery would mean the ESO is in breach of the CUSC. All other WACMS are neutral against ACO d).

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Lauren Jauss RWE Supply & Trading GmbH				
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y

Voting Statement:
All options facilitate the implementation of associated CMP361 proposals.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	George Moran Centrica				
Original	-	-	-	Y	Y
WACM1	-	-	-	Y	Y
WACM2	-	-	-	Y	Y
WACM3	-	-	-	Y	Y
WACM4	-	-	-	Y	Y
WACM5	-	-	-	Y	Y
WACM6	-	-	-	Y	Y

Voting Statement:
All options facilitate the implementation of associated CMP361 proposals.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Damian Clough SSE				
Original	Y	-	Y	-	Y
WACM1	Y	-	Y	-	Y
WACM2	Y	-	Y	-	Y
WACM3	Y	-	Y	-	Y
WACM4	Y	-	Y	-	Y
WACM5	Y	-	Y	-	Y
WACM6	Y	-	Y	-	Y

Voting Statement:

The original and alternatives are all better than the baseline as they fix BSUoS removing risk from Industry members which then benefits end consumers as any risk materialises in prices. Those WACMs with greater notice period are preferable as they benefit the most end consumers as contract rounds happen other than April.

Stage 2b – Workgroup Vote

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACMs 1-6)

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Jennifer Doherty	National Grid ESO	Original	(d)
Paul Jones	Uniper UK Ltd	N/A	N/A
Joshua Logan	Drax	WACM2	(d)
Simon Vicary	EDF Energy Customers Limited	N/A	N/A
Matthew Cullen	E.ON UK	WACM1	(d)
Grace March	Sembcorp Energy UK Ltd	Original	(b)
Lauren Jauss	RWE Supply & Trading GmbH	WACM3	(d)
George Moran	Centrica	WACM3	(d)
Damian Clough	SSE	N/A	N/A

N.B Some Workgroup members voted for all CMP362 solutions in order to facilitate the CMP361 solutions. Others took the approach that the CMP362 solutions should correspond only to the CMP361 solutions they voted for. Note also that there was a difference in which Workgroup members attended each vote.

Of the 9 votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	9
WACM1	9
WACM2	9
WACM3	8
WACM4	8
WACM5	9
WACM6	9