

Draft Self Governance Modification Report

CMP382: Amend the terminology used in CUSC Section 14 to align with the definitions of ‘Financial Year’ and ‘Business Day’ within CUSC Section 11

Overview: Seeks to ensure that the use of “charging year” and “Working Day” in Section 14 is replaced and aligned with the already defined “Financial Year” and “Business Day”.

Modification process & timetable



Status summary: This Report will be submitted to the CUSC Panel for them to carry out their determination vote on whether this change should happen.

This modification is expected to have a: Low impact

National Grid ESO and CUSC Parties

Governance route	Self-Governance modification to proceed to Code Administrator Consultation	
Who can I talk to about the change?	Proposer: Harvey Takhar Harvey.takhar1@nationalgrideso.com 07966 808 230	Code Administrator Contact: Paul Mullen Paul.j.mullen@nationalgrideo.com 07794 537 028

Contents

Contents	2
What is the issue?	3
Why change?	3
What is the Proposer's solution?	3
What is the impact of this change?	3
Proposer's assessment against CUSC Charging Objectives	3
Proposer's assessment of the impact of the modification on the stakeholder / consumer benefit categories.....	4
Code Administrator Consultation summary	5
Panel determination vote	6
Panel conclusion	8
When will this change take place?	9
Implementation date.....	9
Date decision required by	9
Implementation approach	9
Interactions	9
Acronyms, key terms and reference material	9
Reference material	9
Annexes	9

What is the issue?

At present the terms “charging year” and “Working Day” are used within CUSC Section 14. However, these are not defined terms within CUSC Section 11. Therefore, there are inconsistencies between CUSC Section 11 and Section 14.

Why change?

[Ofgem's decision on CMP373](#) (dated 24 May 2021) noted the misalignment between the use of “charging year” and “Financial Year” and the proposed changes in this modification seek to address this.

The proposed change will create clarity and consistency going forward for CUSC parties.

What is the Proposer’s solution?

The proposed solution is to align Section 14 of the CUSC by replacing any reference to “charging year” and “Working Day” with the already defined terms “Financial Year” and “Business Day”.

Legal Text is attached in Annex 2.

At the CUSC Panel meeting on 26 January 2022, Panel members requested that the Proposer check the defined terms for “**Financial Year**” and “**Business Day**” are included within ESO’s licence. The Proposer confirmed that the terms are included and align to the defined terms in Section 11 of CUSC (detailed below):

Financial Year - *the period of 12 months ending on 31st March in each calendar year*

Business Day - *any week-day other than a Saturday on which banks are open for domestic business in the City of London*

CUSC Panel also noted that Financial Years are different for different organisations. Due to the Section 11 definition highlighting the dates, the Proposer believes that this covers the concern raised; however, they appreciate that this may require additional communications for some organisations.

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;	Neutral No material impact from the proposed changes
(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	Neutral

licensees in their transmission 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;	Neutral
(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.	Positive Proposed changes will provide greater consistency and therefore clarity to CUSC Parties.
*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	Neutral
Benefits for society as a whole	Neutral
Reduced environmental damage	Neutral
Improved quality of service	Neutral

Code Administrator Consultation summary

The Code Administrator Consultation was issued on the 18 February and closed on 11 March 2022 and received 2 non-confidential responses. The full responses can be found in Annex 4. In summary:

- Both respondents supported the change to “Business Day”; however, 1 respondent did not support the change to “Financial Year” and believe it would be clearer to continue to use the term Charging Year (from Section 14.3.21 onwards) as this is well understood by industry and the charging year for TNUoS does not equate with financial year for some companies. Panel will be asked to consider this proposed change before carrying out their vote as to whether or not to implement CMP382.

Panel determination vote

The Panel will meet on 25 March 2022 to carry out their determination vote.

They will assess whether a change should be made to the CUSC by assessing the proposed change and any alternatives against the Applicable Objectives.

Panel comments on Legal text

Ahead of the vote taking place, the Panel will consider the legal text amendments proposed as part of the Code Administrator Consultation and agree next steps.

Vote 1: Does the Original facilitate the objectives better than the Baseline?

Panel Member: **Andrew Enzor**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Andy Pace**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Binoy Dharsi**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Cem Suleyman**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Garth Graham**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Grace March**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Jenny Doherty**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Joe Dunn**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Panel Member: **Paul Jones**

	Better facilitates AO (a)?	Better facilitates AO (b)?	Better facilitates AO (c)?	Better facilitates AO (d)?	Overall (Y/N)
Original					
Voting Statement					

Vote 2 – Which option is the best?

Panel Member	BEST Option?	Which objectives does this option better facilitate? (If baseline not applicable).
Andrew Enzor		
Andy Pace		
Binoy Dharsi		
Cem Suleyman		
Garth Graham		
Grace March		
Jenny Doherty		
Joe Dunn		
Paul Jones		

Panel conclusion

To be added after Panel determination vote on 25 March 2022.

When will this change take place?

Implementation date

9 May 2022.

Date decision required by

As soon as possible.

Implementation approach

No systems or processes will need to be amended as a result of this proposal.

Interactions

- | | | | |
|--|--|---|--------------------------------|
| <input type="checkbox"/> Grid Code | <input type="checkbox"/> BSC | <input type="checkbox"/> STC | <input type="checkbox"/> SQSS |
| <input type="checkbox"/> European
Network Codes | <input type="checkbox"/> EBR Article 18
T&Cs ¹ | <input type="checkbox"/> Other
modifications | <input type="checkbox"/> Other |

None identified

Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

Reference material

- [Ofgem's decision on CMP373](#)

Annexes

Annex	Information
Annex 1	Proposal Form
Annex 2	Legal Text
Annex 3	Self – Governance Statement
Annex 4	Code Administrator Consultation Responses

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 Electricity Balancing Guideline (EBR – 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.