

Code Administrator Consultation

CMP401: Maintaining Non Half Hourly (NHH) charging arrangements for Measurement Classes F and G

Overview: Following the result of [CMP318](#), the ESO wish to amend the date (31 March 2023) to align with the introduction of the Market Wide Half Hourly Settlement (MWHHS) Programme and relevant subsequent charging year.

Modification process & timetable



Have 5 minutes? Read our [Executive summary](#)

Have 20 minutes? Read the full [Code Administrator Consultation](#)

Have 30 minutes? Read the full Code Administrator Consultation and Annexes.

Status summary: We are now consulting on this proposed change.

This modification is expected to have a: **Low impact on Suppliers**

Governance route Standard Governance modification to proceed to Code Administrator Consultation

Who can I talk to about the change?

Proposer:
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Code Administrator Chair:
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How do I respond?

Send your response proforma to cusc.team@nationalgrideso.com 5pm on 5 December 2022.

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Executive summary

Following the result of [CMP318](#), the ESO wish to amend the date (31 March 2023) to align with the introduction of the Market Wide Half Hourly Settlement (MWHHS) Programme and relevant subsequent charging year.

What is the issue?

CMP318 was approved by Ofgem in November 2019, extending the CMP266 arrangements. Reforms implemented through the Access and Forward-Looking Charges Significant Code Review (SCR) and Targeted Charging Review (TCR) have been unsuccessful in negating the double charging issue faced by some end users. Additionally, the Market Wide Half Hourly Settlements programme is not due to be implemented until October 2025, which will remove the requirements for this clause. Current CUSC wording in clause 14.17.29.9 has an explicit end date of 31 March 2023.

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

Proposer's solution: Amend the date in CUSC section 14.17.29.9 to align with Milestone 15 (M15) of the Market Wide Half Hourly Settlement (MHHS) Programme and relevant subsequent charging year, but recognising the need to avoid duplication of charges part way through the charging year covered in 14.17.29.8. To overcome this, the new date will take into account the next relevant charging year.

Implementation date: 1 April 2023

What is the impact if this change is made?

Prevents a distortion which would otherwise arise between Suppliers who actively promote HH settlement and those who do not. This distortion would arise from a Supplier who chooses to migrate relevant consumers to HH settlement being charged TNUoS twice against those individual sites.

Interactions

No interaction with other codes.

What is the issue?

CMP318 was approved by Ofgem in November 2019, extending the CMP266 arrangements. It was envisaged that reforms through the Access and Forward-Looking Charges Significant Code Review (SCR) and Targeted Charging Review (TCR) being implemented would negate the double charging issue faced by some end users – unfortunately, these benefits have not been seen. Additionally, the Market Wide Half Hourly Settlements programme is not due to be implemented until October 2025, which will remove the requirements for this clause. Current CUSC wording in clause 14.17.29.9 has an explicit end date of 31 March 2023.

Why change?

Without a change, Suppliers will be charged (on a per-MPAN basis) both the NHH and HH tariffs for the same site within one Charging Year for certain demand. This is double-charging and will likely lead either to windfall losses to Suppliers or to increased consumer costs, neither of which are appropriate.

Without extension / adjustment end users in Classes F and G would move to HH settlement with adverse financial consequences.

This extension should be aligned to the introduction of Market Wide Half Hourly programme and apply to the end of the financial year that the MWHH programme is live to ensure continuity for end users. The final milestone of the programme is to introduce a cut over to the new settlement arrangements which is due to occur in November 2025, but will be agreed after the end of the migration on a set of criteria.

What is the solution?

Proposer's solution

Amend the date in CUSC section 14.17.29.9 to align with Milestone 15 (M15) of the Market Wide Half Hourly Settlement (MHHS) Programme and relevant subsequent charging year, but recognising the need to avoid duplication of charges part way through the charging year covered in 14.17.29.8. To overcome this, the new date will take into account the next relevant charging year.

Legal text

The legal text for this change can be found in Annex 2.

For ease of reference, the Legal Text changes are shown in **red text**

14.17.29.8 A change from NHH to HH within a **Financial Year** would normally result in Suppliers being liable for TNUoS for part of the year as NHH and also being subject to HH charging. This section describes how the Company will treat this situation for Non-Half Hourly (NHH) meters migrating to Measurement Classes E, F & G for the Financial Year which begins after 31 March 2017.

14.17.29.9 Notwithstanding 14.17.9, for each Financial Year which begins after 31 March 2017 demand associated with Measurement Classes F and G will be treated as Chargeable Energy Capacity (NHH) for the purposes of TNUoS charging for the

full **Financial Year**. This will be up until the end of the **Financial Year** (31st March) following delivery of M15 of the Transition Timeline as outlined in the **Authority's** decision dated 20th April 2021 on the introduction of half-hourly settlement on a market-wide basis (MHHS).

N.B. As part of [CMP399](#), which has been raised and is also planned to be implemented on 1 April 2023, this will result in different clause numbering for the above paragraphs.

What is the impact of this change?

Proposer's assessment against the Applicable Objectives

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 This CMP prevents a distortion which would otherwise arise between Suppliers who actively promote HH settlement and those who do not. This distortion would arise from a Supplier who chooses to migrate relevant consumers to HH settlement being charged TNUoS twice against those individual sites
(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
(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

	This CMP would prevent layering change upon change to charging arrangements by preserving the status quo until MWHHS is introduced
<p>**The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.</p>	

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

When will this change take place?

Implementation date

1 April 2023

Date decision required by

31 January 2023

Implementation approach

No impact on systems or processes assuming this Modification is approved as this will be a continuation of Business As Usual.

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 |

¹ If the modification has an impact on Article 18 T&Cs, it 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.

No interactions

How to respond

Code Administrator consultation questions

- Do you believe that the CMP401 Original proposal better facilitates the Applicable Objectives?
- Do you support the proposed implementation approach?
- Do you have any other comments?

Views are invited on the proposals outlined in this consultation, which should be received by 5pm on **05 December 2022**. Please send your response to cusc.team@nationalgrideso.com using the response pro-forma which can be found on the [modification page](#).

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 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
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
ESO	Electricity System Operator
HH	Half-Hourly
MPAN	Meter Point Administration Number
NHH	Non Half-Hourly
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions

Reference material

- [CMP318](#)

Annexes

Annex	Information
Annex 1	Proposal form
Annex 2	Legal Text