



Final Fast Track Self Governance Report

CMP449: Rectifications to pending 01 April 2025 implementation legal text

Overview: This proposal aims to correct legal text errors in modifications which have been approved by the Authority (<u>CMP411</u>, <u>CMP424</u> and <u>CMP430</u>) which are due to be implemented on 01 April 2025.



Proposal Form 13 February 2025

Draft Fast Track SG Report 20 February 2025

Final Fast Track SG Report 03 March 2025

Appeals Window 03 March 2025 - 24 March 2025

Implementation 01 April 2025

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Status summary: Appeals Window If you want to raise an objection, please email cusc.team@nationalenergyso.com by **5pm** on **24 March 2025.**

This modification is expected to have a: Positive

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impact on parties to the CUSC and NESO.

| Governance route | The Panel unanimously agreed that CMP449 met the Self Governance and Fast Track criteria and agreed the modification should be implemented subject to a 15 Working Day appeals window. | | |
|-------------------|--|--|--|
| Who can I talk to | Proposer: | Code Administrator Chair: | |
| about the change? | Tametha Meek tametha.meek@nationalenergyso.co | Catia Gomes <u>catia.gomes@nationalenergyso.co</u> | |





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What is the issue?

06 September 2024, the Authority requested in their <u>decision letter</u> for <u>CMP424</u> that the Proposer of <u>CMP424</u>: <u>Amendments to Scaling Factors used for Year Round TNUoS Charges</u> rectified a minor legal text error in the existing drafting of Section 14 'Charging Methodologies' paragraph 14.15.7 of the CUSC(Connection Use of System Code). The Authority believed that the current drafting had replaced 'total demand level' with 'Generation Plant Type', which is not defined in Section 11 'Interpretation and Definitions' of the CUSC. The Authority suggested the legal text would benefit from some clarification.

Upon further review of the legal text approved by the Authority and due for implementation in April 2025, NESO (National Energy System Operator) highlighted further legal text inaccuracies. This modification proposes to make minor changes to the text which will correct those errors in readiness for 01 April 2025 implementations.

Why change?

These changes will provide clarification on legal text, correct typographical, formatting and cross-referencing errors found in the following approved modifications:

- <u>CMP411 'Introduction of Anticipatory Investment (AI) within the Section 14 charging</u> methodologies'
- CMP424 'Amendments to Scaling Factors used for Year Round TNUoS Charges'
- CMP430 'Adjustments to TNUoS Charging from 2025 to support the Market Wide Half Hourly Settlement (MHHS) Programme'.

What is the solution?

Proposer's Solution

It is intended that this modification will rectify the legal text errors highlighted by the Authority and NESO.

Please see below table of proposed changes

| Modification | Why is the change needed? |
|---------------|---|
| <u>CMP411</u> | The new pending implementation wording has been renumbered from 14.15.170 to 14.15.156 and subclauses 14.15.170.1 – 14.15.170.8 to 14.15.170.1 – 14.15.170.8 and cross references updated to reflect the new numbering. |
| <u>CMP424</u> | The Proposer has provided amended wording which deals with the Authority's request to rectify the current drafting in 14.15.7 due to be implemented which will now read: 14.15.7 Scaling factors for different generation plant types are applied on their aggregated capacity for both Peak Security and Year Round backgrounds. The scaling is either Fixed or Variable (depending on the total demand level gGeneration pPlant tType as referenced in the table below) and based on in line with the factors used in the Security Standard, for example as shown in the table below.which are referenced in the same table. |
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| | Further pending implementation wording amendments required are: the word 'the' is missing between the words 'in SQSS'; the words 'ACS (Average Cold Spell)', will be updated to 'ACS (Annual Average Cold Spell)' as defined in Section 11; |
|--------|---|
| CMP430 | Clause 14.17.41 in the approved legal text begins with '14.25 Reconciliation'. This is amended to make clear to 'Paragraph 14.25 (Reconciliation of Demand Related Transmission Network Use of System Charges)' |

Legal Text

The legal text for this change can be found in Annex 3.

What is the impact of this change?

Proposer's assessment against the Applicable Objectives

| Proposer's assessment against CUSC | |
|--|---|
| 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 |
| (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 C11 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 and the *ISOP business; | 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 Improves readability of Section 14 of the CUSC |





* See Electricity System Operator Licence (<u>Electricity System Operator: Direction and Licence</u> Terms and Conditions)

**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.

When will this change take place?

Implementation date

01 April 2025.

Date decision required by

The Panel met on 28 February 2025 and determined that this modification should be implemented pending the Appeal Windows.

Implementation approach

Governance route: Fast-track Self- Governance modification

| Interactions | | | |
|-------------------|------------------------------------|------|--------|
| □Grid Code | □BSC | □STC | □SQSS |
| □European Network | ☐ EBR Article 18 T&Cs ¹ | | □Other |
| Codes | | | |

No interactions have been identified with other codes; this modification has arisen as a result of approved legal text approved by the Authority due for implementation in April 2025 which contains errors highlighted by the Authority and NESO within modifications <u>CMP411</u>, <u>CMP424</u> and <u>CMP430</u>.

Acronyms, key terms and reference material

Acronyms, key terms and reference material

| Acronym / key term | Meaning |
|--------------------|-----------------------------------|
| BSC | Balancing and Settlement Code |
| СМР | CUSC Modification Proposal |
| CUSC | Connection and Use of System Code |
| EBR | Electricity Balancing Regulation |
| FT | Fast Track |
| NESO | National Energy System Operator |

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| SG | Self-Governance |
|------|--|
| STC | System Operator Transmission Owner Code |
| SQSS | Security and Quality of Supply Standards |
| T&Cs | Terms and Conditions |
| BSC | Balancing and Settlement Code |
| СМР | CUSC Modification Proposal |

Reference material

• <u>CMP424: Amendments to Scaling Factors used for Year Round TNUoS Charges Decision</u> Letter

Annexes

| Annex | Information |
|---------|------------------------|
| Annex 1 | Proposal form |
| Annex 2 | Legal Text |
| Annex 3 | Self-Governance Letter |