

Transmission Charging Methodologies Forum



12th April 2017

Welcome

Paul Wakeley

Today's Forum

Modifications and CUSC Panel Update

Delay charges

Targeted Charging Review

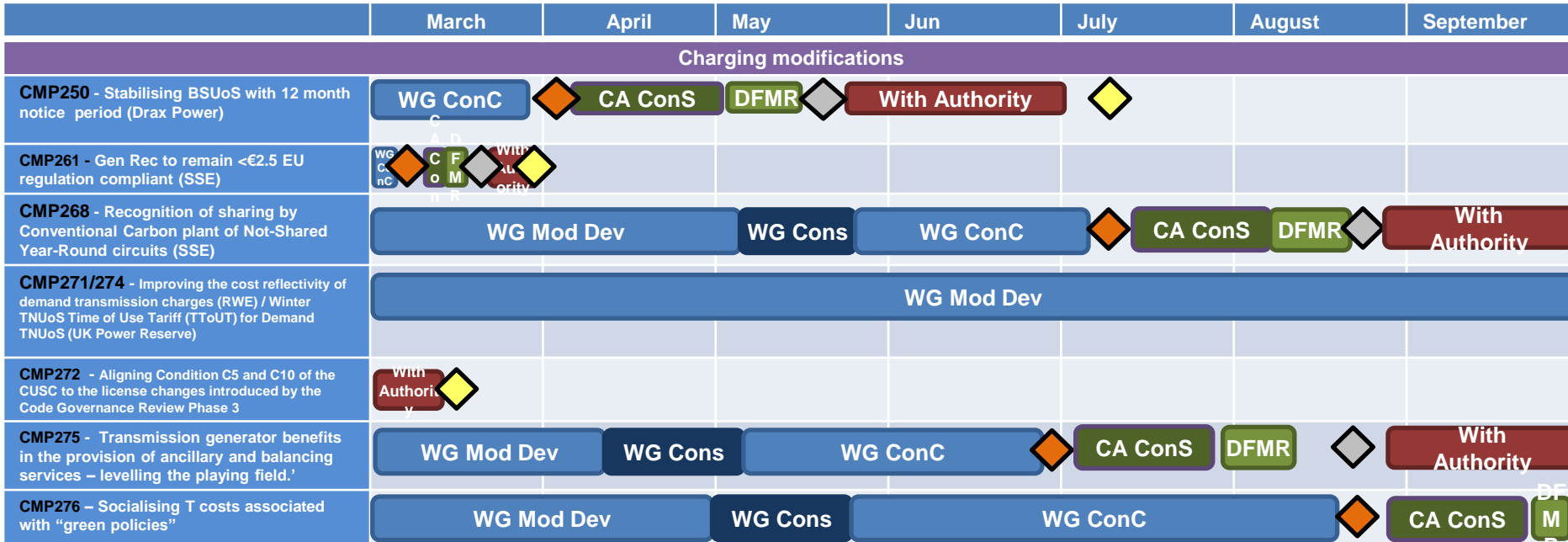
AOB

Modifications and CUSC Panel Update

Ryan Place

Current CUSC Modifications

WG - Workgroup
 ConS – Consultation
 WG ConC – Workgroup Conclusion
 CA – Code Administrator Consultation
 DRMR – Draft Final Modification Report



With Authority, awaiting decision – please refer to the following link for further information;
https://www.ofgem.gov.uk/system/files/docs/2016/12/indicative_decision_dates_for_modification_with_ofgem.pdf

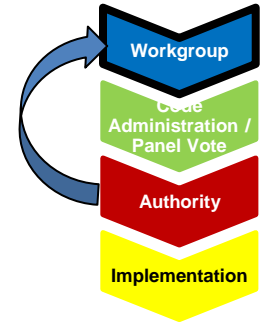
CMP251 - Remove error margin cap on TNUoS compliance with EU (British Gas)

CMP264/265/269/270 - Embedded Generation Triad Avoidance Standstill (Scottish Power)/Gross charging of TNUoS for HH demand where embedded generation is in Capacity Market (EDF)

Plan on a Page and other CUSC Panel related material can be accessed using the following link:
<http://www2.nationalgrid.com/uk/industry-information/electricity-codes/cusc/Panel-information/>

Ofgem decisions since last TCMF

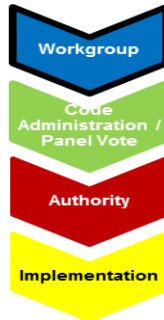
- The Authority have approved one modification.
- **CMP272 'Aligning Condition C5 of the CUSC to changes introduced by the Code Governance Review Phase 3'** seeks to implement the license changes to the CUSC arising from Ofgem's Code Governance Review (Phase 3). CMP272 was implemented on 14 March 2017.



New Modification Proposals

CMP277 - 'Special License Condition 4J'

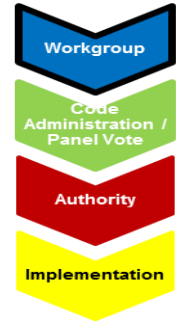
- Seeks to update Section 14.30.6 and 14.32 of the CUSC to reflect the changes made to the terms of the external BSUoS charges recoverable by the SO due to new License Condition 4J and changes to Special License Condition 4C.1.
- This proposal has been raised by National Grid (Stephen McAllister)
- On 31 March 2017 the CUSC Modifications Panel considered CMP277 and confirmed unanimously that it meets the Self-governance criteria.
- Contact Heena Chauhan for further information



New Modification Proposals

CMP278 - 'BSIS 2017 Housekeeping'

- Seeks to update CUSC sections 14.30.11 and 14.32 to reflect the changed cap and collar and sharing factors of the Balancing Services Incentive Scheme as detailed in the current Ofgem Statutory License Consultation and; update 14.32 example BSUoS calculation to reflect changed terms within external BSUoS costs detailed in License change.
- This proposal has been raised by National Grid (Stephen McAllister)
- On 31 March 2017 the CUSC Modifications Panel considered CMP278 and confirmed unanimously that it meets the Self-governance criteria.
- Contact Heena Chauhan for further information



Ongoing modification proposals

CMP250 'Stabilising BSUoS with at least a twelve month notice period'

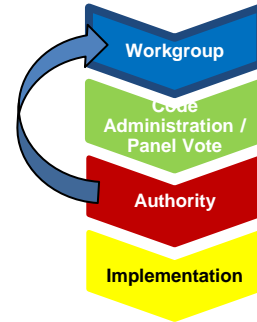
- CMP250 aims to eliminate BSUoS volatility and unpredictability by proposing to fix the value of BSUoS over the course of a season, with a notice period for fixing this value being at least 12 months ahead of the charging season.
- Raised by Drax. (Cem Suleyman)
- Proposal being further developed by Workgroup.
- Contact Heena Chauhan for further information.



Ongoing modification proposals

CMP268 'Recognition of sharing by Conventional Carbon plant of Not-Shared Year-Round circuits'

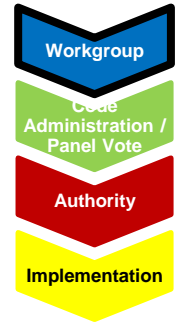
- CMP268 proposes to change the charging methodology to more appropriately recognise that the different types of “Conventional” generation do cause different transmission network investment costs, which should be reflected in the TNUoS charges that the different types of “Conventional” generation pay.
- Raised by SSE. (John Tindal)
- Proposal being further developed by Workgroup.
- Contact Christine Brown for further information.



Ongoing modification proposals

CMP271 'Improving the cost reflectivity of demand transmission charges'

- CMP271 aims to improve the cost reflectivity of demand transmission charges. It is proposed that the transmission charging methodology should include a Peak Security demand tariff levied at Triad, a Year Round demand tariff and revenue recovery levied on year round supplier demand.
- Raised by RWE. (Bill Reed).
- Proposal being further developed by Workgroup.
- Contact Christine Brown for further information.

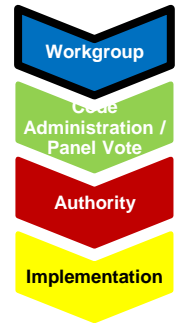


Ongoing modification proposals

CMP274 'Winter TNUoS Time of Use Tariff (TToUT) for Demand TNUoS'

- CMP274 aims to improve the cost reflectivity of demand transmission charges. It is proposed that the transmission charging methodology should include a Winter Weekday Time of use demand tariff which reflects the existing Demand Residual element of the existing methodology so that revenue recovery is levied over a longer period of assessment.
- Raised by UK Power Reserve. (Marlon Dey)
- Proposal being further developed by Workgroup.
- Contact Christine Brown for further information.

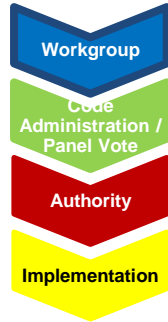
Given the overlap in the issues to be discussed as part of 271 and 274, the Workgroup meetings will be arranged on the same day and are being progressed following a normal timetable.



Ongoing modification proposals

CMP275 'Transmission generator benefits in the provision of ancillary and balancing services – levelling the playing field.'

- CMP275 seeks that a principle of financial mutual exclusivity is introduced to prevent BM units from accessing multiple sources of duplicate and overlapping revenue from ancillary services on the same asset.
- This proposal has been raised by UK Power Reserve Ltd requesting urgency. On 6 February, the Authority decided to support the CUSC Panel's recommendation to reject urgency for this proposal and it will now be developed following a standard timetable.
- The first Workgroup took place on 15 February 2016.
- Proposal being further developed by Workgroup.
- Contact Caroline Wright for further information



Ongoing modification proposals

CMP276 - Socialising TO costs associated with "green policies"

- This modification proposes a reduction in the demand residual element of the TNUoS £/kW (“Triad”) charge by creating two new charge lines for all demand offtakes:
 - (i) with the level of charge based on a fixed charge per MPAN (or alternatively the import meter size of each consumer)
 - (ii) a simple per kWh charge on all consumers.
- Currently demand residual is the cost bucket which is left to capture all TO costs that cannot be otherwise allocated. This is forecast to lead to high demand TNUoS payments at the time of Triads, which are widely recognised to be unacceptable and unsustainable. Mods CMP264 and CMP265 deal with a subset of the symptoms only, because they define the defect narrowly. Their definition prohibits the full range of potential solutions being considered, and by excluding certain types of meter and treating some meters differently to others, this inevitably leads to a discriminatory outcome. This modification is defined to address the underlying cause of the escalation in demand residual and proposes a simple, non-discriminatory approach to its resolution which addresses equitable competition in ALL markets, domestic and international, reduces total cost to consumers and has the structure to form an enduring solution.
- This proposal has been raised by Alkane Energy Ltd (John Harmer)
- A decision letter from the Authority granting urgency is pending. The initial Workgroup meeting was held on 17 March 2017. Proposal being further developed by Workgroup.
- Contact Chrissie Brown for further information



Code Governance Team – who to contact

- For **CUSC** related matters contact Heena Chauhan:
 - Email: cusc.team@nationalgrid.com / Phone: 07818 356637
- For **Grid Code** related matters contact Ellen Bishop:
 - Email: Grid.Code@nationalgrid.com / Phone: 07976 947513
- For **STC** related matters contact Lurrentia Walker:
 - Email: STCTeam@nationalgrid.com / Phone: 07976 940855
- For **SQSS** related matters contact Taran Heir:
 - Email: box.SQSS@nationalgrid.com / Phone: 07977 433974
- For **JESG** related matters contact Christine Brown
 - Email: box.europeancodes.electricity@nationalgrid.com / Phone: 07866 794568