

Transmission Charging Methodologies Forum & CUSC Issues Steering Group



8th November 2017

Welcome

Jon Wisdom, National Grid

Today's TCMF

CUSC Modifications Update

Investment Ahead of TEC Update

2018/19 TNUoS Tariff Forecast October 2017

Charging Futures Forum Website Update

Today's CISG

No items this month



AOB

CUSC Modifications Update

Caroline Wright, Code Admin

New Modifications and Ofgem decisions

■ Two new Modifications tabled at the October CUSC Panel

Mod Ref	Mod area	Customer impacted	Proposal raised by	Process stage	Key activities since last update	next steps
CMP286	Improve the predictability of TNUoS demand charges by bringing forward the date at which the target revenue used in TNUoS tariff setting is fixed to allow customer prices to more accurately reflect final TNUoS rates.	Suppliers, Generators, embedded generators and National Grid	Npower	Workgroup nominations open ~ close date 8 Nov 17	n/a	9 nominations received to sit on the Workgroup. No date arranged for first WG
CMP287	Improve the predictability of TNUoS demand charges by bringing forward the date at which certain parameters used in TNUoS tariff setting (such as demand forecasts) are fixed to allow customer prices to more accurately reflect final TNUoS rates	Suppliers, Generators, embedded generators and National Grid	Npower	Workgroup nominations open ~ close date 8 Nov 17	n/a	9 nominations received to sit on the Workgroup. No date arranged for first WG

New Modifications and Ofgem decisions

- No new Ofgem decisions since last TCMF
- Modifications waiting decision:

Mod Ref	Mod area	Customer impacted	Proposal raised by	Process stage
CMP251	Ensuring that there is no risk of non-compliance with European Regulation 838/2010 by removing the error margin introduced by CMP224 and by introducing a new charging element to the calculation of TNUoS	Suppliers and Generators	British Gas	With the Authority for decision (expected Dec 17).
CMP261	Ensuring the TNUoS paid by Generators in GB in Charging Year 2015/16 is in compliance with EU Regulations	Users who pay either Generation or Demand TNUoS tariffs	SSE	With the Authority for decision (expected Dec 17).
CMP283	Facilitate the Interconnector Cap and Floor regime through creating the process for data provision between Interconnectors and National Grid within the CUSC	Interconnectors and the SO	NGET	With the Authority for decision (expected 10 th Nov 17).
CMP282	TNUoS tariff setting	Suppliers and Embedded Generators	NGET	With the Authority for decision (expected 28 th Nov 17).

Ongoing modification proposals

Mod Ref	Mod area	Customer impacted	Proposal raised by	Process stage	Key activities since last update	Next steps
CMP250	BSUoS	Customer liable for BSUoS charges	DRAX	Workgroup	Meeting held 30 October 17, where the WG voted on options for WACMs. The Workgroup supported 4 options which were turned into WACMs. The Workgroup voted and 3 Workgroup members concluded that the Original proposal was the best option, followed by WACM3 then the WACM 1 and Baseline (Baseline concluded to be the best option by the National Grid Representative).	The Workgroup Report is due to be presented to the Panel at the November meeting. During the Code Administrator Consultation, the Industry will be encourage to share how Generators and Suppliers account for BSUoS risk in their pricing as this would support the Authority in making their determination.

Ongoing modification proposals

Mod Ref	Mod area	Customer impacted	Proposal raised by	Process stage	Key activities since last update	next steps
CMP271	Improving the cost reflectivity of demand transmission charges	Generators, Suppliers, Embedded Generators	RWE	Workgroup meetings ~ suspended	WG received update on impact of SCR on CMP271	Panel at its September meeting agreed to provide an extension based on a fixed event e.g. the publication by Ofgem on its further thinking and that the Workgroup should reconvene w/c 13 November 2017 as by this point the industry will have information from Ofgem.
CMP274	Winter TNUoS Time of Use Tariff (TToUT) for Demand TNUoS	Generators, Suppliers, Embedded Generation, Transmission Network Operators, HH Demand Customers	UK Power Reserve	Workgroup meetings ~ suspended	WG received update on impact of SCR on CMP274	Panel at its September meeting agreed to provide an extension based on a fixed event e.g. the publication by Ofgem on its further thinking and that the Workgroup should reconvene w/c 13 November 2017 as by this point the industry will have information from Ofgem.

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

Ongoing modification proposals

Mod Ref	Mod area	Customer impacted	Proposal raised by	Process stage	Key activities since last update	next steps
CMP275	Preventing BM units from accessing multiple sources of duplicate and overlapping revenue from ancillary services on the same asset	Generators, Transmission Company and Ancillary Service Providers	UK Power Reserve	WG finalising report , legal text and considering any alternatives	WG meeting held 13 September to discuss legal text changes	WG held 6 October via Webex– work still progressing on whether any alternative options re the legal text and date of next meeting TBC
CMP276	Socialising TO costs associated with 'green polices' (reduction in the demand residual element of the TNUoS £/kW ("Triad") charge by creating two new charge lines for all demand offtakes	Parties that manage demand during Triad periods, i.e. embedded generators and those half hourly metered consumers who respond to Triad	Alkane Energy	Workgroup meetings ~ suspended	WG received update on impact of SCR on CMP276	Panel at its September meeting agreed to provide an extension based on a fixed event e.g. the publication by Ofgem on its further thinking and that the Workgroup should reconvene w/c 13 November 2017 as by this point the industry will have information from Ofgem.

Ongoing modification proposals

Mod Ref	Mod area	Customer impacted	Proposal raised by	Process stage	Next steps
CMP280	TNUoS	Suppliers	Scottish Power	WG 3 rd WG held 16 October	WG to continue developing the Proposal. Meeting due at start of December 17
CMP281	BSUoS	Suppliers	Scottish Power	WG 3 rd WG held 16 October	WG to continue developing the Proposal. Meeting due at start of December 17

Ongoing modification proposals

Mod Ref	Mod area	Customer impacted	Proposal raised by	Process stage	Next steps
CMP284	Improving TNUoS cost reflectivity (Reference Node)	Suppliers, Generators and end customers that pay TNUoS	PeakGen	Initial meeting for CMP284 was held on the 11 September. The Authority confirmed that they did not see any overlap with this modification and the launch of the SCR. The Workgroup requested a teach in session a session on 'modelling'. Following the modelling session a formal workgroup meeting will be scheduled to discuss the outputs from these sessions.	Date of teach in session and modelling session TBC. Likely to be mid November 2017
CMP285	CUSC Governance Reform – Levelling the Playing Field	All CUSC Signatories	UKPR	WG meetings 1 st WG held 28 September 2017 to package workload	Next WG due 7 November 2017

CUSC Modifications

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/>

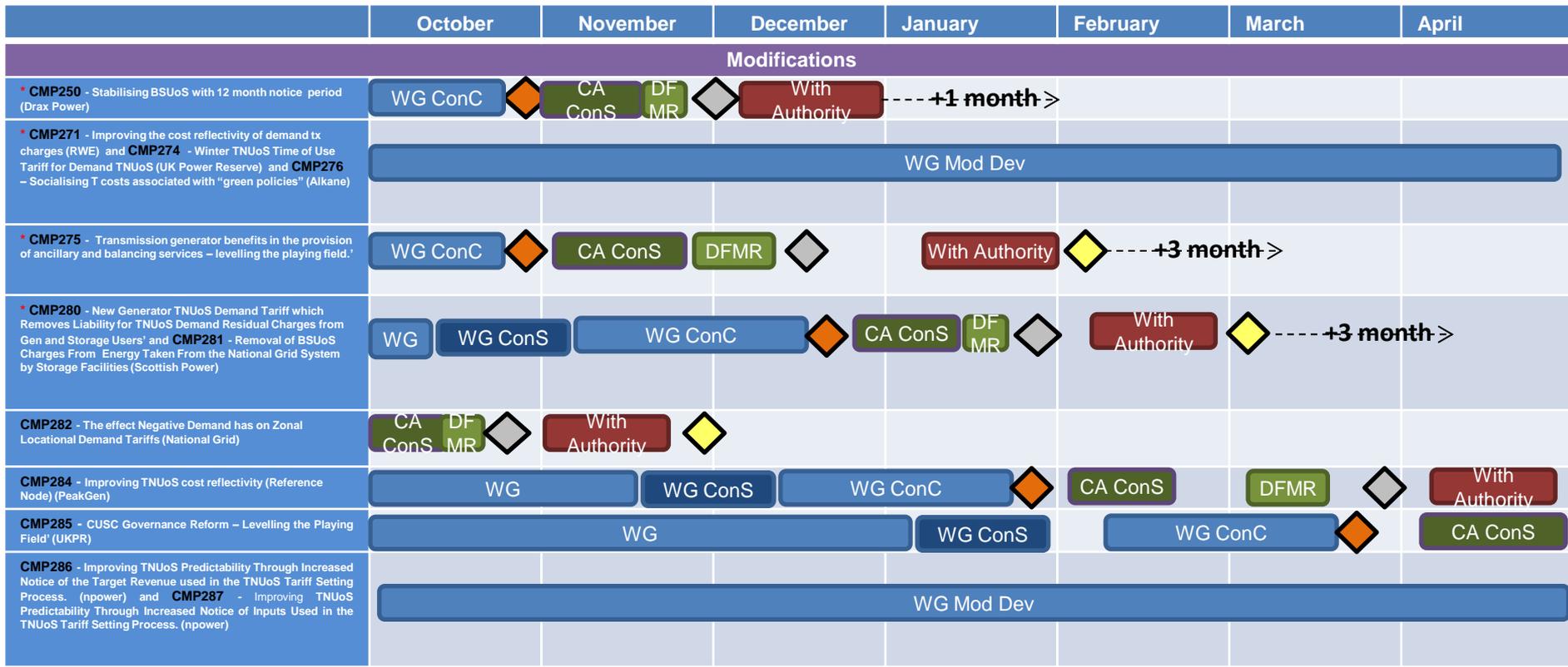
With Authority, awaiting decision – please refer to the following link for further information;
https://www.ofgem.gov.uk/system/files/docs/2017/04/indicative_decision_dates_for_modification_with_ofgem.pdf

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

CMP261 - Gen Rec to remain <€2.5 EU regulation compliant (SSE)

CMP283 - Consequential Changes to enable the Interconnector Cap and Floor regime (National Grid)

WG - Workgroup
 ConS – Consultation
 WG ConC – Workgroup Conclusion
 CA – Code Administrator Consultation
 DFMR – Draft Final Modification Report
 * Timetable at risk/to be confirmed by Panel



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 Chrissie Brown:
 - Email: Grid.Code@nationalgrid.com / Phone: 07866 794568
- 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 Heena Chauhan
 - Email: box.europeancodes.electricity@nationalgrid.com / Phone: 07811 356637

Investment Ahead of TEC Update

John Brookes, National Grid

Investment Ahead of TEC guidance document

- Document updated on 25th October 2017
- Available on our website [here](#)
- Changes as consulted on, most notably;
 - Remove the asset depreciation charge following a customer request to move back their date of connection.
- In December 2017 National Grid will begin the process to ensure a long term and codified approach to these charges is developed by industry

2018/19 TNUoS Tariff Forecast October 2017

Tom Selby, National Grid

Status of forecast and key drivers of change

Status of the Forecast

- First forecast using CMP264/265, CMP268 methodologies
- Generation charging base increases; changes system flows

Key drivers of change (compared with June forecast)

- CMP 264/265
- £158.5m decrease in overall revenue depresses demand tariffs
- Increase in forecasted generation spreads costs over a wider generation charging base

Changes to demand tariffs

Zone	Zone Name	Gross HH Demand Tariff (£/kW)	NHH Demand Tariff (p/kWh)	Embedded Export Tariff (£/kWh)
1	Northern Scotland	42.625828	5.685964	27.958110
2	Southern Scotland	25.070187	3.379183	10.402469
3	Northern	36.695152	4.850815	22.027435
4	North West	43.772060	5.877395	29.104342
5	Yorkshire	43.584369	5.721052	28.916651
6	N Wales & Mersey	45.186145	5.886433	30.518427
7	East Midlands	47.142520	6.297143	32.474802
8	Midlands	48.600885	6.705442	33.933167
9	Eastern	49.119669	7.112924	34.451952
10	South Wales	46.533030	5.640875	31.865312
11	South East	52.267998	7.736564	37.600280
12	London	54.590747	6.071088	39.923029
13	Southern	53.551076	7.335475	38.883359
14	South Western	53.611446	7.814511	38.943729

HH demand tariff now charged on GROSS demand

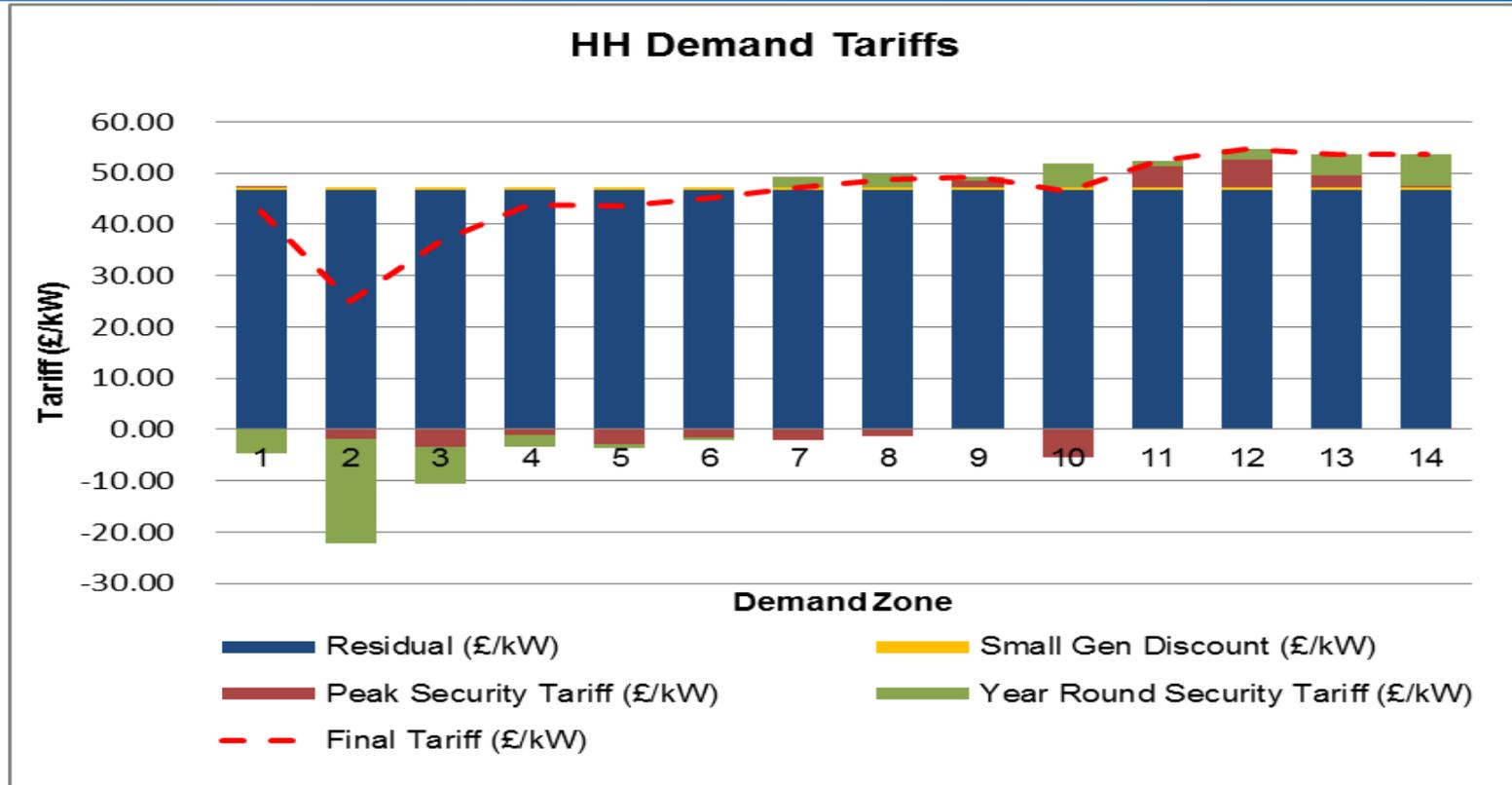
Now 19.8GW GROSS; instead of 13.3GW net

New Embedded Export Tariff (EET)

Paid for export at Triad, forecast 6.5GW in total

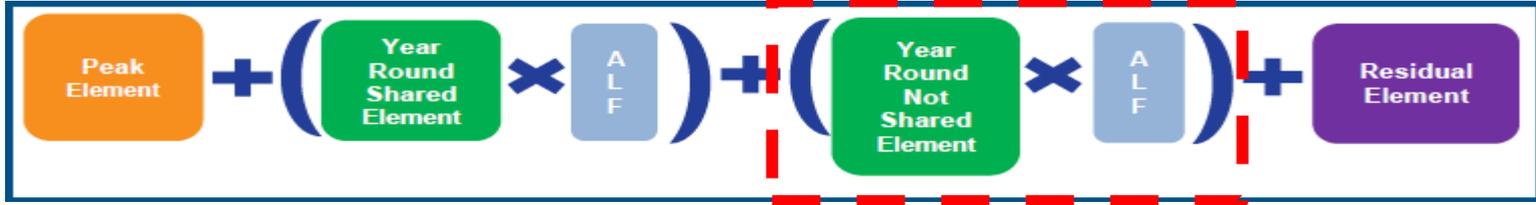
NHH Methodology unchanged

Composition of HH Tariffs



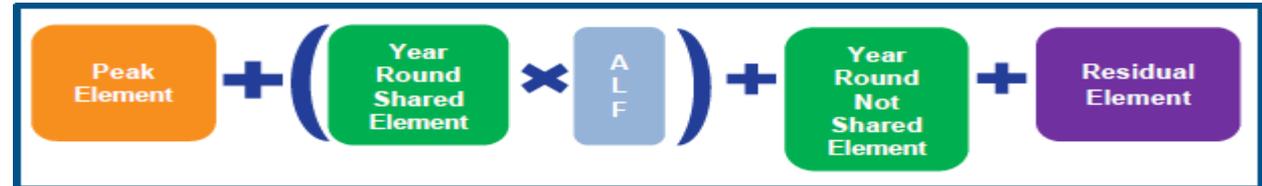
Changes to generation tariffs: CMP268

Conventional Carbon:



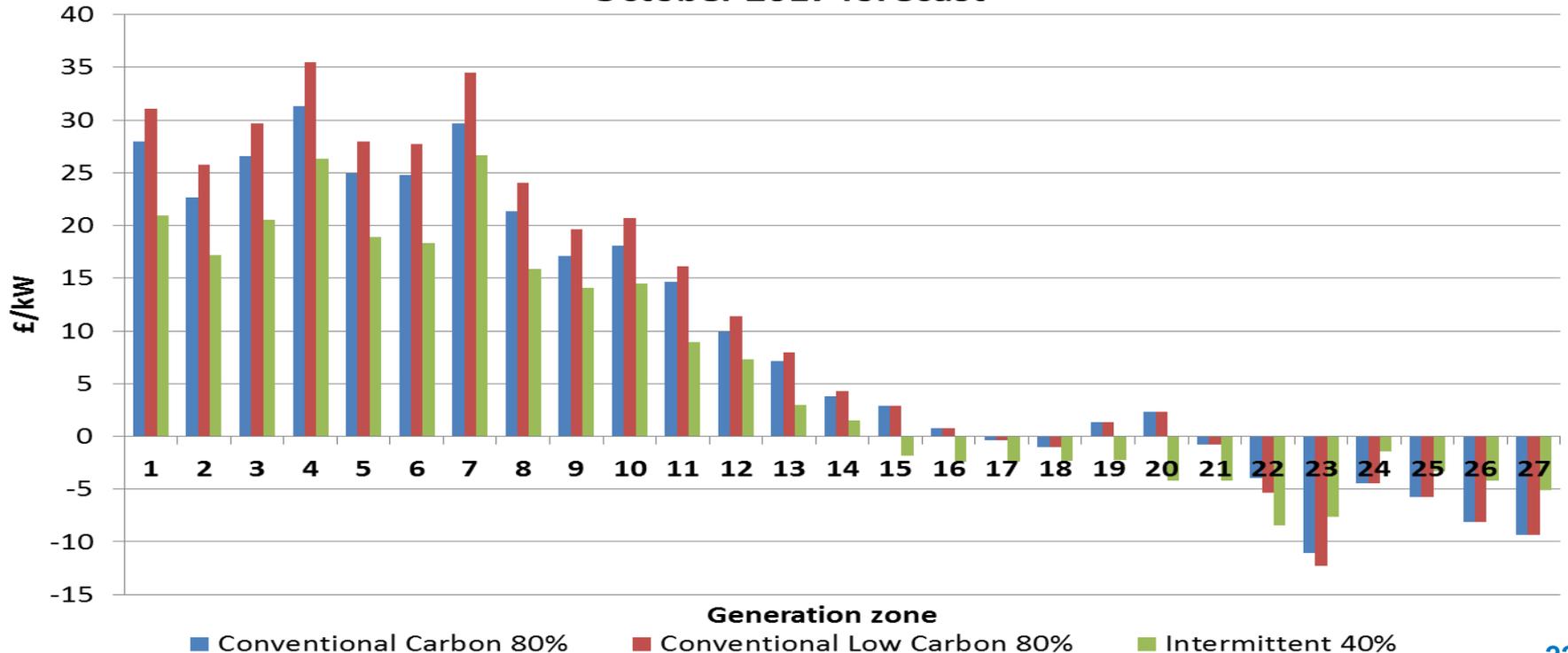
Conventional Carbon generators now pay a share of the Year Round Not Shared element in proportion to their ALF, not the full tariff.

The formula for **Conventional Low Carbon** and **Intermittent** generators remains the same



Generation tariffs

Comparison of example generation tariffs
October 2017 forecast



Next Steps

2018/19 TNUoS Tariffs

- **October Forecast Published**
- **Draft Tariffs by Christmas**
- **Final Tariffs by 31 January 2018**

2019/20 TNUoS Tariffs

- **Five Year Forecast: November 2017**
- **Final timetable published in early 2018**

Changes to 2018/19 Methodology

Approved – Implemented in October Forecast

- CMP264/265 – Gross Charging for Demand / Embedded Benefits*
- CMP268 – Conventional Carbon Generation Tariffs

Pending – With Ofgem

- CMP282 – Demand Locational
- CMP283 – Interconnector Revenues
- CMP261 - €2.50/MWh for 2015/16 tariffs
- CMP251 – enduring changes to Euro Cap

*A judicial review of CMP264/265 has been requested

Ofgem statement on CMP264/265

judicial review

- Ofgem has been served with a claim for judicial review concerning its decision to approve WACM4 of CUSC modifications CMP264 and CMP265.
- The case number is: CO/4397/2017.
- National Grid Electricity Transmission plc has been named by the claimants as an interested party to the proceedings.
- Ofgem has filed its Acknowledgement of Service and Summary Grounds of Resistance for contesting the claim.
- Any bodies that consider themselves interested parties, should take their own legal advice in relation to this matter. ***Ofgem's decision to approve WACM4 of CUSC modifications CMP264 and CMP265 stands unless quashed by the court.***
- The [CMP264/CMP265 Impact Assessment and Decision](#) was updated on 23rd October 2017 with this information.

Contact information

**TNUoS
Queries**

charging.enquiries@nationalgrid.com
01926 654633

Charging Futures Forum Website Update

David Wildash, National Grid



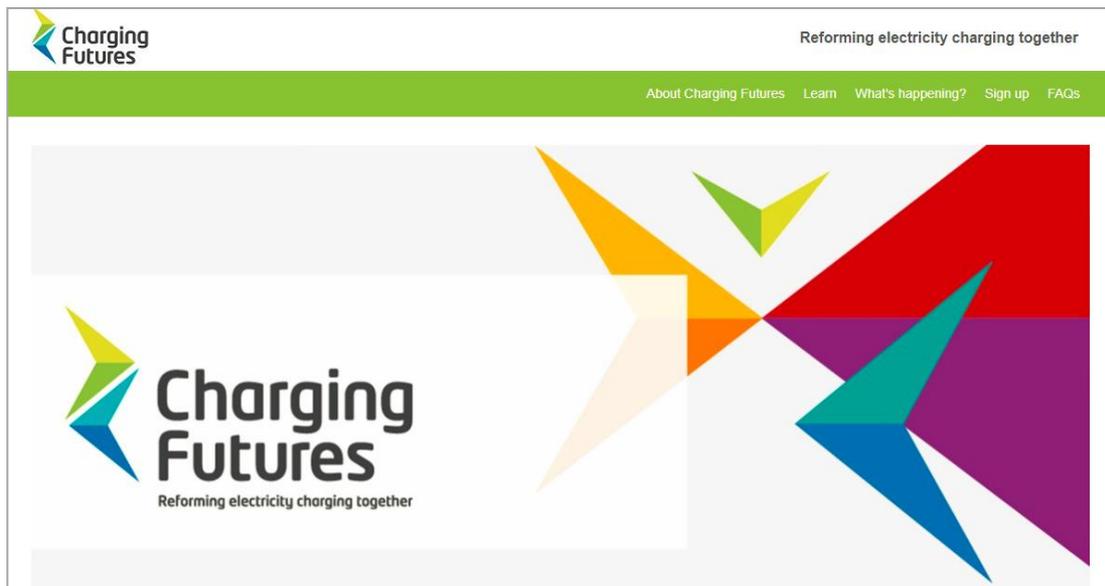
Charging Futures Website

chargingfutures.com launched on Monday

Access the Charging Futures website to keep up to date with developments

- > Papers from the Forum and Charging Delivery Body
- > Learn about Charging Futures
- > Sign up to keep informed

www.chargingfutures.com



AOB

Jon Wisdom, National Grid

Next meetings

December

13

Wednesday

January

10

Wednesday

Will be an 10:30am start unless otherwise notified.

2018 Dates will be updated to the website soon.

We value your feedback and comments

If you have any **questions** or would like to give us **feedback** or share **ideas**, please email us at:

cusc.team@nationalgrid.com

Also, from time to time, we may ask you to participate in surveys to help us to improve our forum – *please look out for these requests*

Close

