

Special CUSC Modifications Panel Meeting

Headline Report

Meeting Name:	Special CUSC Modifications Panel Meeting
Meeting No:	202
Date of Meeting:	10 February 2017
Venue:	National Grid House, Warwick



Any Questions?

Contact:

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1 Introduction

Welcome to the Special CUSC Panel Headline Report. This shall be produced after every CUSC Panel meeting and aims to provide all of our key stakeholders / interested parties with an overview of the headlines and key decisions the Panel are currently managing. Full minutes of the meeting will be produced and approved at the next meeting of the CUSC Panel and will then be published on the website.

All presentations given at this Modifications Panel meeting can be found in the Modifications Panel area on the National Grid website¹

We would welcome any comments you may have.



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2 New CUSC Modification Proposals

There was one new modification proposals presented at this meeting.

CMP276 ‘Socialising TO costs associated with "green policies"’. This proposal was raised by Alkane Energy Ltd and 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) and
- (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. Unless there is change the current methodology 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 too narrowly. Their definition prohibits the full range of

¹ <http://www2.nationalgrid.com/UK/Industry-information/Electricity-codes/CUSC/Panel-information/Panel-meeting-dates-and-documents-2016/>

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.

The Proposer requested that this modification be developed following an urgent timetable. The Panel agreed that the **urgency criteria had not** been met, and the Panel chair would write to the Authority with a recommendation that this modification **should be progressed by a Workgroup following a standard timetable**.

2 Workgroup Update

CMP272 ‘Aligning Condition C5 and C10 of the CUSC to the license changes introduced by the Code Governance Review Phase 3’, This CUSC modification proposal seeks to implement the license changes to the CUSC arising from Ofgem’s Code Governance Review (Phase 3).

The Panel reviewed the Workgroup Report and agreed that it should proceed to Code Administration Consultation.

4 Next Meeting

The next Panel meeting will take place on 24 February 2017 at National Grid House, Warwick.