









<b>CUSC Modification Proposal Form</b>	At what stage is this document in the process?
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**CMP297:** Aligning CUSC and BSC post-TERRE (Section 11) – consequential modification to introduce definition of Virtual Lead Party

01	Proposal Form
02	Workgroup Consultation
03	Workgroup Report
04	Code Administrator Consultation
05	Draft CUSC Modification Report
06	Final CUSC Modification Report

**Purpose of Modification:** The Company has raised a CMP to alter Section 14 of the CUSC such that the extant BSUoS exemption which applies to Interconnector BMUs can be expanded to cover Virtual Lead Parties. This consequential CMP seeks to amend Section 11 to introduce a definition of ‘Virtual Lead Party’

	<p><b>The Proposer recommends that this modification should be:</b> assessed by a Workgroup alongside the relevant Section 14 modification ‘Aligning CUSC and BSC post-TERRE (Section 14)’</p> <p>This modification was raised <i>19 April 2018</i> and will be presented by the Proposer to the Panel on <i>27 April 2018</i>. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>
	<b>High Impact:</b>
	<b>Medium Impact</b>
	<b>Low Impact</b> BSUoS-chargeable parties

		 <b>Any questions?</b>
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<b>Timetable</b>		<b>National Grid Representative:</b> <b>Harriet Harmon</b>
<i>The Code Administrator will update the timetable.</i>		
<b>The Code Administrator will present a timetable to CUSC Panel on 27 April 2018 for their approval.</b>		
Initial consideration by Workgroup		dd month year
Workgroup Consultation issued to the Industry		dd month year
Modification concluded by Workgroup		dd month year
Workgroup Report presented to Panel		dd month year
Code Administration Consultation Report issued to the Industry		dd month year
Draft Final Modification Report presented to Panel		dd month year
Modification Panel Recommendation Vote		dd month year
Final Modification Report issued the Authority		dd month year
Decision implemented in CUSC		01 April 2019

**Proposer Details**

<b>Details of Proposer:</b> (Organisation Name)	National Grid Electricity Transmission
Capacity in which the CUSC Modification Proposal is being proposed: (i.e. CUSC Party, BSC Party or "National Consumer Council")	CUSC Party
<b>Details of Proposer's Representative:</b> Name: Organisation: Telephone Number: Email Address:	Harriet Harmon National Grid (ESO) 07970458456 <a href="mailto:harriet.harmon@nationalgrid.com">harriet.harmon@nationalgrid.com</a>
<b>Details of Representative's Alternate:</b> Name: Organisation: Telephone Number: Email Address:	Jon Wisdom National Grid (ESO) <a href="mailto:Jon.wisdom@nationalgrid.com">Jon.wisdom@nationalgrid.com</a>
<b>Attachments - No</b>	

**Impact on Core Industry Documentation.**

*Please mark the relevant boxes with an "x" and provide any supporting information*

<b>BSC</b>	<input type="checkbox"/>
<b>Grid Code</b>	<input type="checkbox"/>
<b>STC</b>	<input type="checkbox"/>
<b>Other</b>	<input type="checkbox"/>

(Please specify)

*This is an optional section. You should select any Codes or state Industry Documents which may be affected by this Proposal and, where possible, how they will be affected.*

## 1 Summary

### Defect

The CUSC does not currently recognise Virtual Lead Parties and should be updated in Section 11 to do so, in order to facilitate delivery of the CMP raised by The Company which seeks to exclude Virtual Lead Parties from BSUoS liabilities (“the Charging CMP”, for ease of reference).

The rationale for such exclusion is outlined in CMP296.

### What

Section 11 of the CUSC should be updated to include a definition of ‘Virtual Lead Party’

### Why

BSC P344 and GC0097 will enable Virtual Lead Parties to participate as BMUs – the CUSC currently does not recognise Virtual Lead Parties as a category of Market Participant

### How

Update Section 11 only, to state that Virtual Lead Party is defined within the Balancing and Settlement Code.

## 2 Governance

### Justification for Normal Procedures

The Proposer recommends that this modification follow the same governance procedures as CMP296, for which it is initially recommended that proceeding straight to Code Administrator Consultation would be appropriate.

### Requested Next Steps

This modification should proceed to Consultation provided that the CMP296 proceeds as such. Alternatively, this Proposal should follow the same process as, and be considered alongside the Charging CMP

## 3 Why Change?

The CUSC does not currently recognise Virtual Lead Parties and should be updated in Section 11 to do so, in order to facilitate delivery of the CMP raised by The Company which seeks to exclude Virtual Lead Parties from BSUoS liabilities (CMP296, for ease of reference).

The rationale for such exclusion is outlined in CMP296.

## 4 Code Specific Matters

### Technical Skillsets

N/A

### Reference Documents

N/A

## 5 Solution

It is suggested that the following is inserted into Section 11 of the CUSC:

**‘Virtual Lead Party** – as defined in the **Balancing and Settlement Code**’.

## 6 Impacts & Other Considerations

If CMP296 is not approved by The Authority, this modification is not required and therefore it is appropriate for a joint decision to be made.

### Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No, although it is resultant of Project TERRE

### Consumer Impacts

Per the CMP296

## 7 Relevant Objectives

### Impact of the modification on the Applicable CUSC Objectives (Standard):

Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	None
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Positive – recognises the new Market Participant, thereby enabling the exemption from BSUoS liability

(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	Positive – required to implement Project TERRE appropriately
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Positive – enables Section 14 to be updated without creating an undefined term within CUSC
*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).	

## 8 Implementation

It is recommended that this is implemented on 1 April 2019.

## 9 Legal Text

### Text Commentary

As outlined in ‘Solution’ – insert Virtual Lead Party into Section 11 and confirm that it is defined within the BSC.

## 10 Recommendations

### Proposer’s Recommendation to Panel

Panel is asked to: Issue this modification directly to Consultation if that is its approved approach for CMP296.