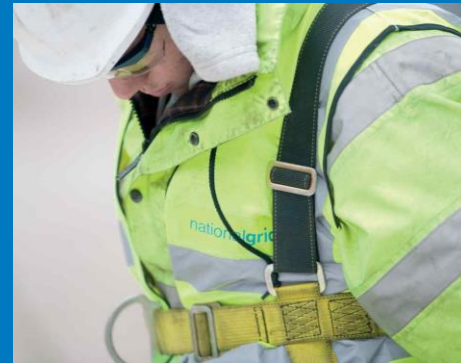


CMPs 295, 296 & 297 – TERRE Arrangements

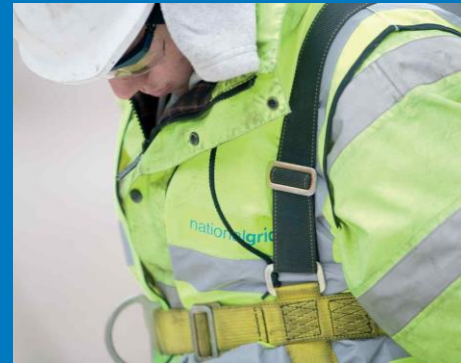


Questions - Harriet Harmon, NGET ESO
Presented by – Rachel Tullis, NGET ESO

Background & General Context

- P344 looks at the implementation of EU TERRE arrangements into the GB Market;
- Under this BSC change, non-BSC Parties can choose to become, “Virtual Lead Parties”
- These VLPs will accede to certain sections of the BSC such that they can participate in the BM;
- Relevant sites will be registered to a VLP’s “Secondary BMU” and the Supplier’s Base BMU;
- A VLP won’t be a Trading Party, and won’t submit Notifications;

CMP 295 – Contractual Arrangements for VLPs



Questions - Harriet Harmon, NGET ESO
Presented by – Rachel Tullis, NGET ESO

The role of a VLP in Project TERRE

- Under the BSC, a VLP will be able to aggregate multiple sites (generation and/or demand) to create a BMU;
- Those sites will take instruction to provide Ancillary/Balancing Services via the VLP;
- The Supplier who retains the meter registration for non-balancing services purposes will bear the BSUoS & TNUoS liability;
- The VLP – as the aggregator – does not itself own the connection points and isn't the DNO's connection customer;

Why Change?

- Concept of VLPs doesn't exist in CUSC;
- Small embedded parties would not normally have a contractual relationship directly with NGET;
- VLP may not own or technically operate the sites – no TEC requirements;
- Some technical requirements being delivered through GC0097;
- Some technical requirements would normally be in the F5 of BEGA;
- CUSC Accession → Grid Code compliance

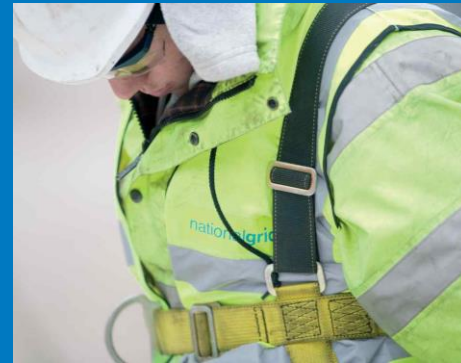
Why normal procedures?

- **Normal procedures should apply to this Proposal as:**
- Multiple possible solutions to the noted defect - best served by a Workgroup being assembled to determine viable options, followed by an Authority decision;
- There is a material impact to any BSC Party (full or partial) who operates in the market as a Virtual Lead Party - introduces contractual and regulatory requirements
 - Whilst a VLP is not in their own right a CUSC Party today, they will accede to Section K of the BSC which requires accession to and compliance with the CUSC;
- There is a material impact to The Company - administer contracts entered into under the CUSC – the new contract will modify obligations/rights on the System Operator through the introduction of contractual interactions with a new CUSC Party.

Principles of change

- Limited to SVA – any CVA EG must use extant arrangements;
- VLPs don't need TEC;
- VLPs aren't the User liable for UoS charges;
- The Operational Metering requirements rest with the VLP;
- Incremental, minimal change to facilitate TERRE and wider access only;
- Ensure accession to S1, 5-8 & 11;
- No changes to Accession, BELL or BEG Agreements;
- Industry consensus preferable per extant CUSC Contract process – recommend proceed to WG

CMP 296 – BSUoS Exemption for VLP BMUs (S14)



Questions - Harriet Harmon, NGET ESO
Presented by – Rachel Tullis, NGET ESO

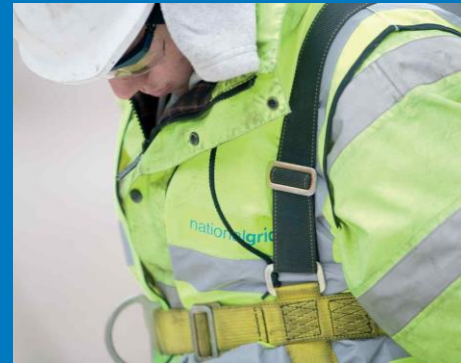
Interaction with BSUoS

- Only BMUs associated to Interconnectors are currently excluded;
- As VLP sites will remain registered to Supplier Base BMU, the Supplier will still be charged for relevant metered volumes;
- Sites will also be registered to the VLP's Secondary BMU;
- Without a CUSC change, VLPs will also be charged BSUoS;
- We believe that this is, inefficient charging of metered volumes

Process

- Broad support for TERRE – this is a consequential mod (without P344 this wouldn't be necessary);
- Proposal is binary in nature – multiple WACMs not anticipated;
- Recommend proceed straight to CAC alongside CMP 297

CMP 297 – BSUoS Exemption for VLPs (S11)



Questions - Harriet Harmon, NGET ESO
Presented by – Rachel Tullis, NGET ESO

Minimal change to introduce VLPs to S11

- Should be considered in conjunction with CMP 296;
- Introduces definition of Virtual Lead Party to CUSC Section 11;
- Definition is being derived through Balancing & Settlement Code process;
- CUSC definition to be, “As defined in the **Balancing and Settlement Code**”;
- Recommend proceed straight to CAC as binary change needed to implement CMP 296

Proposed Timetable: CMP295 & CMP296 & CMP297



CUSC Panel – 27 April 2018
Code Administration

Code Administrator Proposed Progression

- The Panel is asked to agree:
 - Whether CMP295 should be progressed using:
 - Standard Governance Procedures (With Workgroup) and following discussing all modifications - prioritisation required
 - CMP 296 and 297 should be progressed:
 - Immediately to Code Administrator Consultation with Authority decision (if CAC timetable on next slide proposed)

Proposed Timetable –CMP296/97 (CAC non Workgroup)

Early-mid May 2018	Code Administration Consultation issued to the Industry
June 2018	Draft Final Modification Report presented to Panel
June 2018	Modification Panel Recommendation Vote
July 2018	Final Modification Report issued to the Authority
August 2018	Authority Decision
P344 aligned date 1 April 2019 currently	Final text implemented in CUSC