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Dear Trisha,

CUSC Modifications Panel views on Urgency for CMP302 'to extend the small generator discount until an enduring solution acknowledging the discrepancy between England & Wales and Scotland is implemented'.

On 23 August 2018, Millennium Wind Energy Ltd (the proposer), raised CMP302 to extend the small generator discount (SGD) that is currently due to expire on 31 March 2019. It proposes to introduce the arrangements for the discount into the Connection Use of System Code (CUSC).

On 11 September, the CUSC Modification Panel (the Panel) wrote to us requesting our decision on whether to grant urgency to CMP302. The Panel's view was that urgency should be granted.

This letter confirms that we consider that modification proposal CMP302 should not be progressed on an urgent basis.

The proposal

The SGD exists to better facilitate equivalence of treatment of 132kV-connected generators in Scotland who do not receive 'Embedded Benefits', and those in England & Wales who do. This arrangement is set out in SLC C13 of the electricity transmission licence, which is due to expire on 31 March 2019. CMP302 proposes to introduce the arrangements for the discount into the CUSC. The proposer considers that this requires CMP302 to be implemented (if it were to be approved) and for the revised charging arrangements to be put in place by 31 March 2019, which would require a modification decision by 31 January.

Panel Discussion

The Panel considered CMP302 and the associated request for urgency at its meeting held on 31 August 2018. The Panel wrote to us on 11 September with its recommendation on the urgency request made by the proposer.

The view of the Panel was that CMP302 should be treated as urgent.

Our views

In reaching our decision, we have considered the details contained within the proposal, the proposer's justification for urgency and the views of the Panel. The key criteria set forward

in the case for urgency¹ is whether it is linked to “*an imminent issue or a current issue that if not urgently addressed may cause a significant commercial impact on parties, consumers or other stakeholder(s)*”. We do not believe this modification meets this criteria. The SGD is set out in within SLC 13 of the electricity transmission licence, not within the CUSC. If deemed appropriate, later this year, we will conduct a statutory consultation to extend the discount.

We also note, that the SGD and its timings have been in place for some time and are known by relevant parties. As such, users should factor this into their internal process in considering whether, and when, to raise a code modification proposal.

Other issues

It is not clear to us that there would be benefit in progressing further work on such a proposal. There is a formal SCR underway reviewing the other embedded benefits and it is unclear as to what the benefits of codifying the SGD would be at this point in time. Therefore, it is our view that CMP302 modification should be discontinued and we would urge the proposal to consider this and whether to withdraw the proposal.

Yours sincerely,

Andrew Burgess

Deputy Director, Charging and Access