



Making a positive difference
for energy consumers

Trisha McAuley OBE

CUSC Panel Chair

By email

Direct Dial: 020 7901 7000

Email: TCR@ofgem.gov.uk

Date: 20 February 2020

Dear Trisha,

Re: Connection and Use of System Code (CUSC) Modification Panel Request
for Urgency and Recommended Timetables, for:

- CMP334 'Transmission Demand Residual – consequential definition changes (TCR)'
- CMP335 'Transmission Demand Residual – Billing and consequential changes to CUSC Section 3 and 11 (TCR)', and
- CMP336 'Transmission Demand Residual – Billing and consequential changes to CUSC Section 14 (TCR)'

On 11 February 2020 Ofgem received requests on behalf of the CUSC Panel for urgency for CMP334, CMP335 and CMP336.

Following consideration of these requests, we have decided to grant urgency to these modification proposals.

Background

The Targeted Charging Review (TCR) decision and Direction was published by Ofgem on 21 November 2019. In response to this Direction, National Grid Electricity System Operator

Limited (ESO) has raised the following modification proposals to give effect to the TCR decision and Direction:

- CMP334
- CMP335
- CMP336

In the letters of 11 February, the CUSC Panel supported the ESO's position as the Proposer, that CMP334, CMP335 and CMP336 should be treated as urgent in order to meet the 1 April 2021 implementation timeline set out in the TCR Direction.

The letters include indicative urgent timelines for each of these modifications, which include:

- Working Group Consultation periods of 15 working days
- Shortened Code Administrator Consultation periods of five working days

These urgent timelines, if followed, will allow for the Final Modification Reports (FMRs) for these modifications to be submitted to Ofgem on 9 June 2020.

The letters also included indicative 'standard' timelines which (amongst other things) do not include a shortened Code Administrator consultation period. These timelines show that if an urgent timetable is not followed the FMRs will not be submitted to Ofgem until 7 July 2020. Our understanding based on current information is that implementation by April 2021 is only considered achievable if Authority approval on each of these modifications is given on or around the end of June 2020. This is to allow for industry to implement the necessary systems and processes, with adequate time for testing.

Our decision on urgency

In reaching our decision to grant urgent status we have considered the Proposer's justification for urgency, including the timelines described above. We have assessed the request against the urgency criteria set out in Ofgem's published guidance.¹

The guidance sets out that an urgent modification should be 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); or
 - a significant impact on the safety and security of the electricity and/or gas systems;
- or

¹ Ofgem Guidance on Code Modification Urgency Criteria (<https://www.ofgem.gov.uk/publications-and-updates/ofgem-guidance-code-modification-urgency-criteria-0>)

- a party to be in breach of any relevant legal requirements.

Without urgent status, the alternative timeline poses risks to the TCR implementation timeline of April 2021. This would put the ESO's compliance with the TCR decision and Direction at risk, and could have a significant commercial impact on consumers if the TCR benefits for 2021/22 are not capable of being realised. As such, we consider that urgency criteria to be met.

Whilst we have approved the urgency request and the associated timetable, should the modifications progress in a manner that would allow for a longer Code Administrator consultation period, for example, if the time to prepare reports or consultation documents was shorter than anticipated, we would encourage such opportunities to be taken.

If you have any queries or comments in relation to the issues raised in this letter, please contact us by email at TCR@ofgem.gov.uk in the first instance.

Yours sincerely,

Andrew Self

Deputy Director, Electricity Access & Charging

For and on behalf of the Authority