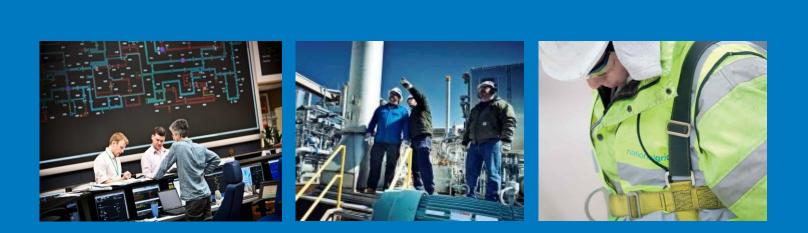
CMP240 'Amending the Cancellation Charge liability within a CMP213 judicial review period'



CUSC Panel – 28 November 2014 Andy Wainwright– National Grid

Background

- Generator wishing to reduce TEC or submit Notice of Disconnection after station's charging date;
 - Pays a Cancellation Charge if less than one year's notice (Section 15, Para 3.11)
- CMP213 'Project TransmiT TNUoS Developments'
 - To be implemented 1st April 2016
 - Now subject to Judicial Review

Summary of Defect

- Generators will factor in future transmission charge forecasts when making closure / TEC reduction decisions
 - Implementation date for methodology decisions accounts for users making timely decisions
- Judicial Review creates uncertainty around TNUoS forecasts for generators from 1st April 2016
- Generators required to make decisions on closure / TEC reduction by end of March 2015 to avoid Cancellation Charge
 - Uncertainty may be ongoing at this time
 - Generators may make inefficient decisions based on uncertainty and/or add a premium for uncertainty
 - This may add to end consumer costs with no clear benefit



Proposed CUSC Modification

- On conclusion of a CMP213 Judicial Review;
 - Provide window for generators to give notice to disconnect / reduce TEC effective at the start of the following Financial Year;
 - 20 business days
 - No Cancellation Charge liability
- Change required to paragraph 3.11 of Section 15 of the CUSC

Justification against Applicable CUSC Objectives

Facilitates National Grid implementing CMP213 on 1st April 2016

Better meeting applicable objective (a) – Efficient discharge of obligations

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- Assists generators in making informed decisions in appropriate timescales. Reduces market uncertainty leading to reduced risk premiums.
 - Better meeting applicable objective (b) Competition

CMP240 Progression

- The Panel is asked to agree:
 - Whether CMP240 should be progressed through Self-Governance
 - How to progress CMP240
 - Code Administrator Consultation
 - Workgroup
 - If the Panel agrees for CMP240 to proceed to a Workgroup, the Proposer asks whether it meets the urgency criteria.