

CMP248 – Enabling capital contributions for transmission connection assets during commercial operation

All for
sustainability



Nigel McManus, Eneco



CUSC current status



Connecting parties may choose how to fund the capital costs of a grid connection (clause 14.3.22)

This choice may only be made at commissioning

- Capital contribution upfront (whole or in part)
- Lease the asset (RPI indexation, 40-year straight line depreciation)

CUSC 14.3.10 states that "a capital contribution based on the allocated GAV [Gross Asset Value] at the time of commissioning will reduce capital"



CUSC Defect



The CUSC allows for / encourages customer choice in certain areas

However, in this case there is limited flexibility and choice for a customer to respond to changing circumstances

The CUSC does not allow for a customer to alter its financing arrangements for connection assets during the operational phase



Suggested Modification & Benefits

Users who pay annually would be able to switch to a capital contribution against the transmission connection assets.

Users would benefit from:

- Reducing ongoing annual charges and related post operational securities
- Greater choice and flexibility in managing costs
- Enhanced competitiveness through removal of a barrier to responding to changing circumstances.

Increased capital contributions may the lower the risk to the transmission operator and ultimately the consumer.

Charges will remain reflective of the costs faced by the transmission owner.



CMP248 Progression

- The Panel is asked to agree:
 - Whether CMP248 should be progressed through Self-governance
 - How to progress CMP248
 - Workgroup
 - Code Administrator Consultation

CMP248 Indicative timetable (Workgroup)

7th August 2015	Deadline for comments on Terms of Reference / nominations for Workgroup membership
W/C 17th August 2015	Workgroup meeting 1
W/C 31st August 2015	Workgroup meeting 2
11th September 2015	Workgroup consultation issued for 1 week Workgroup comment
18th September 2015	Deadline for comment
23rd September 2015	Workgroup Consultation published
14th October 2015	Deadline for responses
W/C 19th October 2015	Workgroup meeting 3
28th October 2015	Circulate draft Workgroup Report
4th November 2015	Deadline for comment
19th November 2015	Submit final Workgroup Report to Panel
27th November 2015	Present Workgroup Report at CUSC Modifications Panel

CMP248 Indicative timetable (Workgroup)

2nd December 2015	Code Administrator Consultation issued (15 Working days)
22nd December 2015	Deadline for responses
6th January 2016	Draft CUSC Modification Report issued for Industry comment
13th January 2016	Deadline for comment
21st January 2016	Draft CUSC Modification Report issued to CUSC Panel
29th January 2016	CUSC Panel recommendation vote
2nd February 2016	Draft FMR circulated for comment
9th February 2016	Deadline for responses
12th February 2015	Final CUSC Modification Report sent to Authority

CMP248 Indicative timetable (CA Consultation)

10th August 2015	Code Administrator Consultation issued (20 Working days)
7th September 2015	Deadline for responses
8th September 2015	Draft CUSC Modification Report issued for Industry comment
15th September 2015	Deadline for comment
17th September 2015	Draft CUSC Modification Report issued to CUSC Panel
25th September 2015	CUSC Panel recommendation vote
28th September 2015	Draft FMR circulated for comment
5th October 2015	Deadline for responses
7th October 2015	Final CUSC Modification Report sent to Authority