

CMP268 'Recognition of sharing by Conventional Carbon plant of Not-Shared Year-Round circuits'



Special CUSC Panel – 15 November 2016
Code Governance Team

Background

- CMP268 was raised by SSE and was submitted to the CUSC Modifications Panel for their consideration on the 27 July 2016.
- CMP268 aims to change the charging methodology to more appropriately recognise that the different types of “Conventional” generation pays. The change to the charging methodology would take the form that for generators which are classed as Conventional Carbon, the generator’s ALF should be applied to both its Not-Shared Year-Round as well as its Shared Year-Round tariff elements.
- CMP268 was proposed as **urgent**. The Authority **granted urgency** on the 23 August 2016. The CUSC Panel Chair wrote to the Authority with an urgent timetable outlined on the 26 August 2016.

Workgroup Consultation

- **Five responses** were received to the Consultation and were considered by the Workgroup.
- **One** respondent supported the original proposal as better meeting the Applicable CUSC Objectives. **Four** respondents did not support it.
- Concerns raised by respondents stating that they do not believe that the Workgroup has had sufficient time to properly assess the proposal
- Suggested that new comprehensive analysis would need to be undertaken
- Process concerns raised – rushed through/Industry expertise restrictions due to number of CUSC modifications that are ‘live’
- Analysis provided by SSE at Workgroup Consultation stage

WACMs

- No WACMs were raised by the Workgroup, noting comments on the reasoning in the **Workgroup Report** below:
- 8.2 ‘It was noted that some Workgroup members felt that the urgent timescales around this modification have dictated the fact that they have not been able to propose any alternatives. A review of the CMP213 options has not been undertaken as it was suggested that there could be a number of options that could have been explored should time have allowed the group to do so’

Workgroup Conclusions

- Terms of Reference have been met;

Scope of Work	Evidence in Workgroup Report
<i>a)Implementation</i>	Section 6
<i>b)Review of legal text</i>	Annex 8
<i>c)Reviewing CMP213</i>	Section 4
<i>d)Distribution impacts</i>	Section 4
<i>e)HVDC implications and links</i>	Section 4

Workgroup Vote

- At the final Workgroup meeting, Workgroup members voted on the Original Proposal: five of the Workgroup members voted that the Baseline better facilitated the Applicable CUSC Objectives and one Workgroup member voted for the Original Proposal.

Proposed CUSC Modification

- This Proposal seeks to amend;
 - Changes to Section 14 – Charging Methodology.

Code Administrator Conclusions

Six responses were received to the Code Administrator Consultation

- Five of the respondents did not feel that the Original Proposal better facilitated the Applicable CUSC Objectives and one stated that it did.
- Four of the six respondents did not support the implementation approach, one did and one stated that although they did not support CMP268, the implementation approach was appropriate.
- RP presented slides to the Panel providing an overview of the modification. PJ wished to add a point of clarification on the presentation, Uniper provided further analysis as part of their response and not a letter.
- SSE response addresses specific points and issues that were raised in the Workgroup discussions.
- Dong Energy raised concerns around a modification with a significant and fundamental impact being raised as an urgent modification.

National Grid View

- The National Grid representative considers that CMP268 does not better facilitate the applicable CUSC objectives better than the baseline.

Questions before Panel Vote?



Panel Recommendation Vote – Charging Objectives

- (a) That compliance with the use of system charging methodology facilitates effective competition in the generation and supply of electricity and (so far as is consistent therewith) facilitates competition in the sale, distribution and purchase of electricity;
- (b) That compliance with the use of system charging methodology results in charges which reflect, as far as is reasonably practicable, the costs (excluding any payments between transmission licensees which are made under and accordance with the STC) incurred by transmission licensees in their transmission businesses and which are compatible with standard licence condition C26 requirements of a connect and manage connection);
- (c) That, so far as is consistent with sub-paragraphs (a) and (b), the use of system charging methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses*;
- (d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1; and
- (e) Promoting efficiency in the implementation and administration of the CUSC arrangements.

*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

Proposed Timetable

15 November 2016	Panel Recommendation Vote
17 November 2016	Final FMR circulated for Panel comment
21 November 2016	Deadline for Panel comment
23 November 2016	Final report sent to Authority for decision
2 December 2016	Indicative Authority Decision due
8 December 2016	Implementation Date