

CUSC Alternative Form**CMP398: GC0156 Cost Recovery mechanism for CUSC Parties**

Overview: This proposed Alternative is substantively the same as the Original. The key difference is that it would allow new Users to make a claim for cost recovery (to achieve compliance with GC0156) where the parameters of a project have been based on the requirements of the Grid Code prior to GC0156. It is intended to address the situation where the change in required parameters will lead to substantive additional costs (over and above those that would have been incurred if the design was based on the requirements of GC0156 from the start of the process).

Proposer: Robert Longden, Cornwall Insight

Contents

- What is the proposed alternative solution?
 - Difference between this and the Original Proposal
- What is the impact of this change?
- When will the change take place?
- Acronyms, key terms and reference material

What is the proposed alternative solution?

GC0156 will introduce new requirements which must be complied with. New projects commencing after GC0156 implementation will be fully aware of these and will optimise the entire design process in the light of this. Projects which have commenced, based on the requirements of the Grid Code prior to the implementation of GC0156, but which have not yet completed, will also need to comply with the revised requirements of the Grid Code – as new Users.

In many cases this will lead to substantive additional cost to modify the project parameters in order to achieve compliance, when compared to the cost if the requirements had been known at the start of the process. This Alternative seeks to provide a route for these Users to make a claim for the incremental costs incurred.

What is the difference between this and the Original Proposal?

See above.

What is the impact of this change?

Proposer's Assessment against CUSC Non-Charging Objectives

Relevant Objective	Identified impact
(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;	Positive. The modification seeks to ensure that new Users are not competitively disadvantaged by being subject to effective retrospection of requirements
(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;	Positive: The modification seeks to ensure that new Users are not competitively disadvantaged by being subject to effective retrospection of requirements (and excess cost)
(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	Neutral
(d) Promoting efficiency in the implementation and administration of the CUSC arrangements.	Neutral

*The Electricity Regulation referred to in objective (c) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market

for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.

When will this change take place?

Implementation date:

As per the Original Proposal

Implementation approach:

As per the Original Proposal

Acronyms, key terms and reference material

None

Reference material:

None