

**Agenda**

**Meeting name** CMP275 Workgroup- Meeting 6

**Date of meeting** 9 August 2017

**Time** 12.30- 14.00

**Location** National Grid House, Warwick

**Dial in:** Details to follow

<b>Item</b>	<b>Topic</b>	<b>Lead</b>
1	Introduction and meeting objectives	CW
2	Review of Actions	CW
3	Review from Ofgem's Call for Evidence on Flexibility	All
4	Finalise any alternatives	All
5	Finalise draft legal text changes	UM
6	Finalise the WG report (including review of ToR)	All
7	Vote	All

### Open Action Log:

Action No	WG meeting raised	Action Owner	Action	Progress	Due Date	Status
11	WG 1	IT	How could future proofing work and present a strawman on the principles that could be applied and how Future services could be captured and consider how the legal text could be drafted to reflect this.	Simple principle so that it could apply to future plant and services that could be provided by NG. WG noted that the table of services could be added into the CUSC along with a new defined term e.g. Applicable Balancing Services” (could use the example from the Capacity Market rules). <b>Note this may mean that legal text is need for Section 11 as well.</b>	On-going	Open
19	WG2	All	Consider the current wording and how the legal text could be amended (Ian’s presentation included a draft starter for 10)	On-going	03/04/17	Open

### Terms of Reference:

Specific areas	When addressed
a) Clarify which revenue streams are excluded from mutuality exclusive arrangement ensuring consideration includes the interaction between both the Balancing Mechanism (BM) and Balancing Services.	Covered via the services matrix
b) Demonstrate how this proposal will interact with the existing procurement of services ensuring that this did not lead to over procurement in the market.	Covered in the assessment of the impact of the proposal on other markets.
c) Demonstrate how this modification does not discourage providers from tendering for services.	Covered under the discussions by the Workgroup and that it will be up to the commercial decisions of the providers which services they tender for. Certain Workgroup members considered that this would discourage parties from tendering for providing more than one service as they would otherwise effectively be providing the additional service(s) for free.

d) Define the assets affected by the proposal.	Covered via the services matrix
e) Demonstrate that they have considered the impact of wider strategic issues being pursued by the industry in their proposal.	Covered via section 5 (item 8 CLASS Project and item 9 Simplification of services. However consideration of Ofgem Flexibility call for evidence which stated that we should look to increase stacking of services where possible are still to be considered and for the Proposer to provide information on how the Proposal aligns to Ofgem's Flexibility call for evidence.
f) Consider how this modification interacts with Ofgem's Flexibility Call for Evidence which is seeking ways to allow participants to access multiple revenue sources and EU Balancing Code.	More detail required The Workgroup is still to consider this item
g) Clarify how the proposed changes to the CUSC would impact Distribution Networks.	High level more detail required The Workgroup is still to consider this item but the group's initial view is that it wouldn't have an effect.
h) Ensure individual power stations are not identified within the report.	No named power stations in report or analysis.
i) Define the practical implementation of the solution, so that it is defined for all industry participants i.e. National Grid who will run tenders for the Balancing Services and parties who would like to tender for a Service.	High level more detail required
j) Consideration of the future development of Balancing Services.	Covered in WG Consultation report via Potential simplification of services and Ofgem's consultation on Parties offering more services.

## Workgroup proposed timetable

17 Jul 2017	Workgroup meeting 5
24 Jul 2017	Workgroup meeting 6 (agree WACMs and Vote)
17 Aug 2017	Workgroup report issued to CUSC Panel
25 Aug 2017	CUSC Panel meeting to approve WG Report

## Post Workgroup modification process

31 Aug 2017	Code Administrator Consultation issued (15 Working days)
21 Sept 4 2017	Deadline for responses
28 Sept 2017	Draft FMR published for industry comment (5 Working Days)
5 Oct 2017	Deadline for comments
19 Oct 2017	Draft FMR circulated to Panel
27 Oct 2017	Panel meeting for Panel recommendation vote
2 Nov 2017	FMR circulated for Panel comment (3 Working day)
7 Nov 2017	Deadline for Panel comment
13 Nov 2017	Final report sent to Authority for decision
18 Dec 2017	Indicative Authority Decision due (25 working days)
28 Dec 2017	Implementation date

Applicable CUSC Objectives:

### Use of System Charging Methodology

**(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).