

## Agenda

**Meeting name** CMP275 Workgroup- Meeting 8

**Date of meeting** 13 September 2017

**Time** 12.30- 15.30 (Post TCMF)

**Location** National Grid House, Warwick

**Dial in:**

Join by phone

+44-20-7108-6317 UK London Toll

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Meeting number (access code): 597 024 048

| Item | Topic   | Lead |
|------|---|------|
| 1    | Introduction and meeting objectives   | CW   |
| 2    | Review of Actions   | CW   |
| 3    | Finalise draft legal text changes   | All  |
| 4    | Finalise any alternatives   | All  |
| 5    | Finalise the WG report (including review of ToR and Ofgem's call for Evidence on Flexibility) | All  |
| 6    | 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.                                       | Covered in Section 2 & 8   |
| g) Clarify how the proposed changes to the CUSC would impact Distribution Networks.  | The Workgroup considered this item in relation to the Flexibility Programme and DNOs actively managing networks. An unintended consequence may be how distribution connected providers get netted off. The view of the Workgroup was when procuring services that netting should apply to any product (TC/DC, aggregator or DSR)   |
| 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. | Covered under the transitional arrangements in Section 6 and Section 9.  |
| 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.   |

Applicable CUSC Standard Objectives:

- (a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- (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;
- (c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency; and
- (d) Promoting efficiency in the implementation and administration of the CUSC arrangements.