

CUSC Code Administrator Consultation Response Proforma

CMP221 - Interruption compensation in the absence of market suspension during a Partial Shutdown

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm on 29th October 2013** to cusc.team@nationalgrid.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the CUSC Modifications Panel when it makes its recommendation to the Authority.

These responses will be included in the Final CUSC Modification Report which is submitted to the CUSC Modifications Panel.

Respondent:	Kathryn Coffin, Senior Market Advisor kathryn.coffin@elexon.co.uk
Company Name:	ELEXON Ltd, Balancing and Settlement Code Company
Do you believe that CMP221 better facilitates the Applicable CUSC Objectives? Please include your reasoning.	Yes, we agree that CMP221 better facilitates competition and Applicable CUSC Objective (b) for the reasons given by the CUSC Panel in the consultation document.
Do you believe that there are any interactions with the Capacity Market arrangements please explain?	<p>Indirectly. However we believe that these are for consideration by DECC in the first instance when formulating its Capacity Market arrangements and do not impact the implementation of P276 or the progression of CMP221 (which are delivering the intended BSC and CUSC solutions).</p> <p>We understand that DECC's proposed Capacity Market arrangements will require generators to be available with certain exceptions. DECC's recent Electricity Market Reform (EMR) consultation states the following:</p> <p><i>"It is proposed that there should only be limited delivery exceptions provided for force majeure events outside of a provider's control, as to do otherwise would weaken delivery incentives and be unnecessarily costly for end consumers. A provider's delivery obligation will be suspended, and no penalties will apply where:</i></p> <ul style="list-style-type: none"> • <i>a unit has been prevented from delivering due to transmission constraints by National Grid;</i> • <i>the electricity market has been suspended (under Section G of</i>

	<p><i>the Balancing and Settlement Code); or</i></p> <ul style="list-style-type: none"> <i>• a new plant has been delayed in commissioning due to Transmission Owner or Distribution Network Operator's delays in providing a connection to the transmission or distribution network.</i> <p><i>No further exceptions are proposed to be made in respect of force majeure situations. This position replicates the Balancing and Settlement Code's treatment of contingencies, which is important given the interaction between the Capacity Market's penalty regime and cash out incentives."</i></p> <p>Following the implementation of P276, there could be a Partial Shutdown in which the contingency provisions of BSC Section G apply but in which the market is not suspended. We will flag this change in the BSC rules to DECC as part of our EMR consultation response.</p> <p>We do not believe that this impacts the progression of CMP221. CMP221 simply ensures that generators who lose their transmission access during a Partial Shutdown in which the market continues are compensated under the CUSC in the same way as they would be for other types of Relevant Interruption in which there is no market suspension.</p>
<p>Do you consider that CMP221 meets the Self-governance criteria? Please provide reasons for your view</p>	<p>No.</p> <p>CMP221 relates to financial compensation for Parties. We therefore agree with the CUSC Panel that it has a material impact on competition and should be assessed by Ofgem.</p>
<p>Do you support the proposed implementation approach? If not, please state why and provide an alternative suggestion where possible.</p>	<p>No.</p> <p>The consultation proposes an Implementation Date for CMP221 of 10 Business Days after approval. The Implementation Date for approved BSC Modification P276, and for the approved consequential Grid Code changes (GC0044), is 31 March 2014.</p> <p>We believe that the CUSC provisions should be implemented at the same time as the approved changes to the BSC and Grid Code, otherwise there is a risk that either:</p> <ul style="list-style-type: none"> • The CMP221 CUSC provisions are implemented earlier than P276 and introduce references to a BSC definition of Market Suspension Period which does not yet exist; or • The CMP221 CUSC provisions are implemented later than P276, giving a period of time in which generators would be unable to claim CUSC Interruption Payments should there be a Partial Shutdown but no Market Suspension Period. <p>We therefore propose that the CUSC Panel recommends an Implementation Date for CMP221 of 31 March 2014.</p>

**Do you have any other
comments?**

No.