

## CUSC Workgroup Consultation Response Proforma

### **CMP311 Reassessment of CUSC credit requirements for Suppliers, specifically for “User Allowed Credit” as defined in Section 3, Part III section 3.27 of the CUSC**

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 **29 October 2019** to [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com) Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Chrissie Brown at [christine.brown1@nationalgrideso.com](mailto:christine.brown1@nationalgrideso.com)

These responses will be considered by the Workgroup at their next meeting at which members will also consider any Workgroup Consultation Alternative Requests. Where appropriate, the Workgroup will record your response and its consideration of it within the final Workgroup Report which is submitted to the CUSC Modifications Panel.

<b>Respondent:</b>	<i>Samuel Arnold – <a href="mailto:s.arnold@greennetwork.co.uk">s.arnold@greennetwork.co.uk</a></i>
<b>Company Name:</b>	<i>Green Network Energy</i>
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	We support the proposal in the Workgroup Consultation. CMP311 compliments the work that Ofgem is undertaking with the Supplier Licencing Review that promotes the establishment of sustainable business models.  It will mitigate the impacts of supplier failure across industry and customers, and help boost consumer confidence in the market.

### **Standard Workgroup consultation questions**

Q	Question	Response
1	Do you believe that CMP311 Original proposal (revised since originally proposed to just remove the Payment Record Sum) better facilitates the Applicable CUSC Objectives than current arrangements?	Yes.
2	Do you support the proposed implementation approach, both in terms of allowing at least 12 months to make arrangements and the Workgroup suggestion to commence in April with the Financial Year?	Yes.
3	Do you have any other comments?	No.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<i>If yes, please complete a WG Consultation Alternative Request form, available on National Grid's ESO website<sup>1</sup>, and return to the CUSC inbox at <a href="mailto:cusc.team@nationalgrideso.com">cusc.team@nationalgrideso.com</a></i>

#### Specific questions for CMP311

Q	Question	Response
5	What impact do you think this modification would have on suppliers entering the market?	<p>Little impact. Ofgem has already ready raised the requirements for entry under the Supplier Licencing Review and is currently consulting on further ongoing arrangements that will ensure that only new suppliers with sustainable business models enter market.</p> <p>Any potential impacts from CMP311 are a positive move as it enhances Ofgem work in ensuring that the companies entering the industry have robust business plans that enable them to run the business sustainably. In the case of CMP311, this means that they would simply account for this using an Escrow or their investors would be able to provide a Letter of Credit.</p>

<sup>1</sup><https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc>

Q	Question	Response
6	<b>What impact do you think this modification would have on existing suppliers and what would be the cost to your business?</b>	<p>Negligible impact on our business.</p> <p>We are unable to comment on how this will affect other businesses.</p>
7	<b>Two potential solutions other than that Proposed have been discussed by the Workgroup, what are your views on these?</b>	<p>These solutions do not mitigate the risks discussed in the consultation. These options enable more high-risk businesses to enter the industry who may not account for the removal of credit at the end of the initial period and are unable to source credit from other sources. This would then result in the supplier failing and these costs mutualised across industry.</p>
8	<b>What impact do you believe this modification would have on the Consumer?</b>	<p>This would be a good thing for consumers as more reliable businesses will be entering the market. This decreases the likelihood of supplier failure which increases consumer confidence, particularly in new entrants and independent suppliers, making them more likely to switch and increasing competition.</p>