**CMP398 WACM legal text**

New section 6.37 to go in CUSC section 6 “general provisions”

6.37 GC0156 Cost Recovery Claims

6.37.1 All CUSC party generators that are not contracted restoration service providers may submit claims during the annual claims submission month for the recovery of the cost of compliance with the new obligations imposed on them via the Grid Code Change Package GC0156. These obligations relate to a need to be resilient against a loss of external supplies for up to 72 hours, in terms of the subsequent return to service time. Claims will be assessed by the Electricity System Operator as described in 6.37.7. All costs that result shall be paid out as described in 6.37.7.

6.37.2 Contracted Restoration Services Providers (i.e. those with Restoration Contracts) are not permitted to submit such claims as it is assumed that the cost of their successful tender or negotiated contract price would have included any relevant costs.

6.37.3 New generators that first sign a bilateral connection agreement with the electricity system operator after Ofgem’s decision to pass GC0156, are not permitted to submit a claim

6.37.4 The claims submission month will initially be September in each year, save that claims shall not be possible in September 2023 if these provisions are approved by then. However, in 2026, the claims submission month will be December 2026, and this will be the last ever claims window. From 31st December 2026, no more claims will be accepted.

6.37.5 The claims assessment process will involve a case-by-case assessment of claims for capital expenditure incurred in complying with the new obligations, with accompanying evidence to demonstrate that the costs incurred were necessary**,** reasonable, efficient and proportionate.

6.37.6 The Electricity System Operator will recover the costs of successful claims via BSUoS.

6.37.7 When a claim is approved, the electricity system operator will pay the claim over the following 12 month period that begins in April the year after the submission of the claim, in 12 monthly amounts. If a claim is approved after April the year after the submission of the claim, payment of the claim will be made in equal monthly amounts over the months remaining to the following March, inclusive.

6.37.8 Each claimant shall use reasonable endeavours, exercising good industry practice, to identify if compliance with the GC0156 grid code requirements could be achieved at a materially lower cost by meeting a lesser technical requirement (such as by providing resilience for less than 72 hours) and if so, then they shall advise the ESO accordingly and liaise with the ESO about possible solutions associated with a derogation. If appropriate, they shall seek a derogation from Ofgem on that basis. If the derogation request is denied, then a claim can be submitted for assessment by the independent claims committee