

## CUSC Alternative Form

# CMP408 Alternative Request 2: Allowing consideration of a different notice period for BSUoS tariff settings

**Overview:** this alternative proposal seeks to amend the ex-ante fixed BSUoS tariff notice period to 3 months (as with the original proposal) and extend the fixed period to 12 months with a separate Summer and Winter Tariff within that 12 month period

**Proposer:** Damian Clough, SSE Generation

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## What is the proposed alternative solution?

The proposed solution is to shorten the notice period (as per the original proposal), but extend the fixed period to maintain the combined 15-months fix/notice period recommended by the second BSUoS task force:

- 3-month notice period i.e. final tariff published by 3 months in advance of the tariff on 1<sup>st</sup> January
- 12-month fixed period, starting in April and running 12 months until the end of March the following year.
- Implementation of the amended notice period would be for the next available April tariff period to allow for ESO tariff publication.
- Within the 12 months period the ESO will set a Summer and Winter Tariff relating to the two separate 6 month periods. This will allow potential seasonality to be introduced to cover the cashflow position for the ESO.

## What is the difference between this and the Original Proposal?

Fixed BSUoS tariff period of 12-months, rather than 6-months

The Fixed period will have two separate tariffs relating to the Summer period April 1<sup>st</sup> to 30<sup>th</sup> September and Winter period. October 1<sup>st</sup> till 31<sup>st</sup> March. Without this change the ESO's credit facilities could be stretched increasing the risk of a reopener of prices, due to relatively small fluctuations in costs and demand.

## What is the impact of this change?

Proposer's Assessment against CUSC Charging Objectives	
Relevant Objective	Identified impact
(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>Positive:</b> Supports implementation of the ex-ante fixed BSUoS tariff. Aligns better with the TNUoS taskforce
(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);	<b>Neutral:</b>
(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;	<b>Positive:</b> Supports implementation of the second Balancing Services Task Force, by maintaining the

	recommended 15-months combined fixed/notice period but with the ability to have different tariffs provides further assurance to the ESO
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>Neutral:</b> No Impact
(e) Promoting efficiency in the implementation and administration of the system charging methodology.	<b>Positive:</b> Tariff setting only required by NGESO once per year
*The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.	

## When will this change take place?

### Implementation date:

01 April 2024

### Implementation approach:

Limited IT changes are required prior to the implementation date.

## Acronyms, key terms and reference material

Acronym / key term	Meaning
BSC	Balancing and Settlement Code
CMP	CUSC Modification Proposal
CUSC	Connection and Use of System Code
EBR	Electricity Balancing Regulation
ESO	Electricity System Operator
STC	System Operator Transmission Owner Code
SQSS	Security and Quality of Supply Standards
T&Cs	Terms and Conditions
WACM	Workgroup Alternative Code Modification
ESO	Electricity System Operator
CMP	CUSC Modification Proposal
BSUoS	Balancing Services Use of System charges