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c/o National Grid Electricity Transmission plc
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Dear CUSC Panel Chair,

Authority decision to direct that Connection and Use of System Code (CUSC) CMP305: Removal of the Enhanced Reactive Power Service (ERPS) be revised and resubmitted

On 12 December 2018, the CUSC Panel submitted a Final Modification Report (FMR) for CMP305¹ to the Authority.

We consider that we are not in a position to properly form an opinion on the changes proposed in the FMR for CMP305, and are therefore requesting that the FMR is revised, if appropriate, and resubmitted.

We note that CMP304² and CMP305 both consider the future of the Enhanced Reactive Power Service (ERPS).³ CMP305 proposes to remove the ERPS from the CUSC whilst CMP304 seeks to retain the ERPS in the CUSC but aims to improve the service to make it more fit for purpose. We note that CMP304 and CMP305 are two different options related to treatment of the same service, and therefore consider it would be appropriate that we assess and make our decisions on these related proposals at same time.

We also note that the FMR for CMP305 states that there is an administrative burden with the current tendering requirements for the ERPS. The FMR did not include evidence to support this statement. Upon requesting this, we were informed about the specific amount of resource required to issue a tender for the ERPS. We consider that it would be useful for industry and the Panel to see this as part of the FMR. We recognise that aligning the timings of CMP304 and CMP305 will mean ongoing administrative costs associated with the existing arrangements. Whilst we have not formed a view at this time on these costs (which would be considered in making our decision on CMP305), overall we consider that any potential impact in terms of ongoing resource required to continue tendering for the ERPS is likely to be outweighed by the efficiency of considering CMP304 and CMP305 together. Going forward, we expect that a revised FMR should include information on the stated administrative impacts of the current tendering requirements for the ERPS.

¹ CMP305 - Removal of the Enhanced Reactive Power Service (ERPS):
<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/removal-enhanced-reactive-power-service>

² CMP304 - Improving the Enhanced Reactive Power Service by making it fit for purpose:
<https://www.nationalgrideso.com/codes/connection-and-use-system-code-cusc/modifications/improving-enhanced-reactive-power-service>

³ The Enhanced Reactive Power Service (ERPS) is an opt-in commercial service for reactive power. It is intended for providers who can exceed the requirements of the Obligatory Reactive Power Service (ORPS) or for providers who are not required to offer ORPS but can meet or exceed the performance standard.

In accordance with paragraph 7(aa) of Condition C10⁴, we therefore direct that the FMR for CMP305 is revised in line with our comments above and re-submitted to us for decision at the same time as CMP304.

Yours sincerely,

Grendon Thompson

Head of SO Regulation, Systems and Networks
Duly authorised on behalf of the Authority

⁴ Transmission Licence Standard Conditions, Condition C10: Connection and Use of System Code:
<https://epr.ofgem.gov.uk//Content/Documents/Electricity%20transmission%20full%20set%20of%20consolidated%20standard%20licence%20conditions%20-%20Current%20Version.pdf>