

User Commitment WS2 Product 5



User Commitment

- To date there has been two Workstream 2 Product 5 meetings;
- 29 issues have been raised with User commitment, although further issues may be highlighted following future stakeholder engagement. Please see separate document-Annex 1 for full details.
- Issues range from minor updates to procedures to major updates to CUSC and STC codes.

User Commitment Shortfall Examples

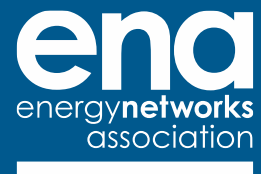
Issue	Potential impact of change	Updates required
Demand Users are still not subject to CUSC 15 and are still on the old securities system.	Reduction in securities for demand Users.	CUSC 15.
There is a higher security percentage applied to Distribution customers than Transmission customers and should be reviewed.	Reduction in securities for Distribution Users or increase in securities for Transmission Users	CUSC 15
Transmission Impact Assessment (Appendix G)- Considerations required how to implement securities	Enables governance for consistent application.	CUSC 15.
The £/KW rates when a scheme is on a fixed liability prior to the trigger date- Is this a reasonable level?	Improve cost reflectivity.	CUSC 15.
The MITS nodes (substations that Users secure up to) definition means that some Distribution Users secure more than others.	Reduce securities for Distribution Users	CUSC 11
Consented schemes should lower the security percentage at any point in the security process due to the reduction in risk of scheme termination.	Reduction in securities for all Users who consent out-with trigger period.	CUSC15.

User Commitment Conclusion

- CUSC 15 has been in effect since 2013 and the energy industry has changed significantly in this period.
- Working group agree there should be further Open Network meetings to pursue User Commitment improvements with the view to proceed with any necessary CUSC and securities/liabilities guidance note modifications.
- Any User who proceeds with a Transmission connection or Distribution connection with a formal Transmission impact assessment, would be impacted by any changes to CUSC 15
- There will need to be a reasonable level of stakeholder engagement, for example TCMF, to consider these issues and identify further areas for improvement prior to CUSC/guidance note modifications. Recommend any engagement is concluded within the next quarter.

User Commitment Next Steps

- On confirmation of progression with further meetings, the following steps should be taken:
 - Workgroup meetings to be arranged for April/May
 - Stakeholder engagement at TCMF highlighting the key concerns- May or June meeting together with any other approved stakeholder consultation.
 - CUSC mod/s to be formed and raised to address issues following ON meetings and stakeholder engagement with Guidance note updates where necessary



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