

**From:** Mullins, Wayne [mailto:Wayne.Mullins@nationalgrid.com]  
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DCP 259 'CMP223 - Enduring Generation User Commitment' Working Group

Dear All,

As per my action from today's meeting, I have reviewed the CMP223 drafting. According to the CMP223 CUSC drafting, the shortfall does not cover any additional amount where the developer holds the required credit rating so hasn't placed security with a DNO. However, I'm not convinced that this was the workgroup's intention, so may be something that we note requires future attention in the CUSC arena (I'm not sure if this is typically done as part of a DCUSA change report, but is certainly something we'd note in the CUSC equivalent if needed).

Here's my logic on the drafting:

DNOs can recover a "Cancellation Charge Shortfall" from the National Grid as SO (paragraph 16.4 of the CMP223 SO-DNO construction agreement).

"Cancellation Charge Shortfall" is defined as: the difference between (a) the Cancellation Charge Secured Amount (or such higher sum as paid by the Developer to the User in respect of the Cancellation Charge) and (b) the Cancellation Charge payable by the User).

The "Cancellation Charge Secured Amount" is the security level calculated as a % of the Cancellation Charge liability (see section 15 part 3 paragraph 3 of the CUSC) (i.e. the security amount before considering any credit rating).

Peter - Please feel free to give me a call if you need any clarification to enable this to go in the report. I should be around for most of the day tomorrow.

Best regards,

Wayne

Wayne Mullins  
Capacity Development Manager  
Market Change (Electricity)  
System Operator  
National Grid  
Tel: (01926) 65 3999 CTN: 474-3999  
Mob: 07964 035 164  
e-mail: [wayne.mullins@nationalgrid.com](mailto:wayne.mullins@nationalgrid.com)