

MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL

Form
version 2.3

Change Proposal reference
(To be completed by the TP Sec.)

MCCP257

Version No.

A.2

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a. TITLE Unwinding the Covid-19 Derogations

A.1.b. COMPANY CMA

Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement

A.1.c. AUTHORISED
SIGNATURE

NAME

A.1.d. CONTACT NAME Neil Cohen

CONTACT EMAIL;
TEL/MOB.

Neil.cohen@cmascotland.co.uk

A.1.e. ASSOCIATED
MCCP / OCCP

A.1.f. ASSOCIATED
DOCS.

A.1.g. PROPOSED
URGENCY NON-URGENT

A.1.h. REASONS FOR
URGENCY

The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1

A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

A number of arrangements have been put in place to provide some assistance to participants during the Covid 19 outbreak:

- MCCP248 (Derogations During the Covid 19 Outbreak)
- MCCP251 – CC (Wholesale Charge Deferral Scheme)
- MCCP253 – CC (Further WCDS Arrangements) and
- MCCP254 – CC (Further WCDS Arrangements II)

This MCCP seeks to identify the process for unwinding the MCCP248 derogations in a phased manner, as requested by the CMA Board (letter to participants from the CMA CEO, dated 2020-09-29) regarding Performance Measures except for the R10 and Peer Review reporting. For unwinding other aspects of the derogations (settlement timetabling and the R10 Performance Measure), the start of subsequent Financial Years has been used.

The derogations currently in place are as follows:

- **Market Code Section 6.2.1.** The current obligation to meet Performance Standards should be superseded by the following:

Each Trading Party shall carry out its duties under the Market code in order to meet the Performance Standards relevant to it, so far as is practical, given the exigent conditions applying from the period beginning in March 2020.

- **Market Code Section 6.2.10.** This obligation to provide a quarterly written report to confirm remedial steps for each performance measure where failure occurs, shall be suspended.
- **CSD0201 (Settlement Timetable and Reporting) Section 2.1 (Provision of the Settlement Timetable for the Year).** The CMA may also amend the Settlement Timetable to reflect any derogations issued under the Market Code and its CSDs.
- **CSD0201 (Settlement Timetable and Reporting) Section 2.4 (Settlement Run Types).** P1 – For June 2020 onwards. The timetable for issue will be suspended. Instead, the Settlement Reports for P1 will be issued 16 Business Days before the start of the month following the Invoice Period in which the Settlement Day falls.
- **CSD0302 (Standard Reports and Data Extracts) Section 5.2 (Peer Review Report – Timetable and Distribution).** Peer Review Reports shall not be provided (or maybe provided, but with no data) for the last quarter of 2019/20 and thereafter, nor for any months within those periods.

In addition to the above, the CMA Board has used its existing discretionary powers to disapply Performance Standard Charges for the period from Q4 of 2019/20 onwards.

It should also be noted that proposals for unwinding the arrangements associated with the Wholesale Charge Deferral Scheme (WCDS) will be presented in a separate MCCP (noting that the original Commission Changes already include appropriate sunset clauses, in effect).

A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS
Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

This MCCP identifies a 4-stage removal of the above derogations:

- Stage 1. Re-introduction of Peer Review Reporting, to include data for September 2020 onwards.
- Stage 2. Re-introduction of Performance Charges, excluding those for the R10 (Missing Meter Reads), to cover Q4 of 2020/21 onwards.
- Stage 3. Re-introduction of obligations arising from performance issues and removal of the derogations pertaining to settlement timescales.
- Stage 4. Re-introduction of the R10 Performance Charges, to cover Q1 of 2022/23 onwards along with the reinstatement of remedial reporting obligations.

Principles and Objectives affected
CMA Guidance Note GN009 may be referred to for assistance with this section

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	A gradual re-introduction of performance measures will ensure improving performance and can be achieved at minimal cost.
Transparency	Y	More complete reporting can be phased in.
Simplicity, Cost-effectiveness, and Security	Y	The unwinding of the derogations can be achieved largely administratively.
Non-exclusivity	N	
Barriers to Entry	N	
Customer Contact	N	
Non-discrimination	N	
Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES	N	

A.2.c. IMPACT
Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)

CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	N	

CSDs	N	
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	Y	The R10 measure will need to be excluded from the Performance Charges. A suitable note will clarify this for LVI users.
CMA business processes	N	
Trading Party systems	N	
Trading party business processes	Y	Performance Charges will recommence.

A.2.d. DRAFT LEGAL TEXT
Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)

Derogations will be modified as follows:

- **Market Code Section 6.2.1.** The current obligation to meet Performance Standards should be superseded by the following:

Each Trading Party shall carry out its duties under the Market code in order to meet the Performance Standards relevant to it, so far as is practical, given the exigent conditions applying from the period beginning in March 2020.

Remove as of 2021-04-01.

Additionally, the CMA Board will exercise its existing discretionary powers to re-introduce Performance Standard Charging for all measures, except those for missing meter reads (R10), as defined in CSD0002, as of Q4 2020/21.

The CMA Board will exercise its existing discretionary powers to re-introduce Performance Standard Charges for the missing meter read measures (R10), as defined in CSD0002, as of Q1 2022/23. This should provide sufficient lead time for meter reads to accrue for biannually read meters.

- **Market Code Section 6.2.10.** This obligation, to provide a quarterly written report to confirm remedial steps for each performance measure where failure occurs, shall be suspended.

Remove as of 2021-04-01.

- **CSD0201 (Settlement Timetable and Reporting) Section 2.1 (Provision of the Settlement Timetable for the Year).** The CMA may also amend the Settlement Timetable to reflect any derogations issued under the Market Code and its CSDs.

Remove as of 2021-04-01.

- **CSD0201 (Settlement Timetable and Reporting) Section 2.4 (Settlement Run Types).** P1 – For June 2020 onwards. The timetable for issue will be suspended. Instead, the Settlement Reports for P1 will be issued 16 Business Days before the start of the month following the Invoice Period in which the Settlement Day falls.

Remove as of 2021-04-01.

- **CSD0302 (Standard Reports and Data Extracts) Section 5.2 (Peer Review Report – Timetable and Distribution).** Peer Review Reports shall not be provided (or maybe provided, but with no data) for the last quarter of 2019/20 and thereafter, nor for any months within those periods.

Remove as of 2020-09-01.

A.3. IMPLEMENTATION DETAILS

A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME
Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.

Phased implementation will be:

- 2020-09-01 for removal of the Peer Review CSD derogation.

- 2020-10 for Peer Review Reporting (2020-11 for download to ftp), for 2020-09 data onwards.
- 2021-04 for Performance Standard Charge invoices (for Q4 of 2020/21), to exclude charges for R10.
- 2021-04-01 for removal of remaining derogations.
- 2022-04 for Performance Charge invoices to include charges for R10 failures.

A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION

User Requirements for this document are as follows:

UR 1 CMA Administration.

UR 1.1 Performance Charge Invoices. Performance Charge invoices should be raised for Q4 of 2020/21 onwards.

UR 1.2 Bulletins. Bulletins should be issued, summarising the amended derogations and associated amended changes to the LVI on the following timescales:

- 2020-09; to identify the resumption of Peer Review Reporting and to identify the impending resumption of Performance Standard Charge invoicing) excluding R10).
- 2021-03; to identify the removal of all derogations.
- 2022-01; to identify the impending resumption of R10 Performance Standard Charging.

UR 2 LVI.

UR 2.1 The Peer Review Report should be populated with data for the period from 2020/09/01 onwards.

UR 2.2 The following message should be posted on the Information Announcement box on the Home page:

'As part of the response to the Covid-19 outbreak, a number of temporary measures will apply, as follows:

- Performance Standards Charges will be disapplied, as of 2019/20 Q4 and will be re-applied as of 2020/21 Q4 (excluding those for R10, which will be re-applied in 2022/23, for 2021/22).
- The Peer Review Report will not include any peer comparisons, as of 2020-01 until 2020-08. Comparisons for 2020-09 onwards will be provided.

UR 3 Performance Measures. LP CMA Performance Standard Charges should be modified as follows (red text):

PPSUR – 2.3	LP CMA Performance Standard Charge
Summary	This is the quarterly amount payable by each LP to the CMA. It is calculated from the LP Transaction Level Performance Standard Charge Components for the identified quarter.
Input Data and Source	<ul style="list-style-type: none"> • PPSUR 3.1: The sum of the R1A and R1B Charge Components • PPSUR 3.5: The sum of the R5A Charge Components • PPSUR 3.9: The sum of the R9A, R9B, R9C, R9D and R9E Charge Components. • PPSUR 3.10: The sum of the R10A and R10B Charge Components for 2022-04 onwards • PPSUR 3.11: The sum of the R11 Charge Components

Calculation/Process	PSC^q_{CMA} = Sum of (R1A + R1B + R4A + R4B + R5A + R9A + R9B + R9C + R9D + R9E + R10A +R10B Charge Components) for each month in the quarter (excluding the R10A and R10B Charge Components for months prior to 2022-04), summed to give the quarterly amount, except for Q2, which should be identical to the above, but with the sum of the R11 Charge Components also added, plus the equivalent charges for a Transferee, if this LP is a Transferor. After February 2020, the values for R4A and R4B will be zero.
Output Data and Location	PPSUR 2.1
A.4. ANY OTHER COMMENTS	