

CUSC Workgroup Consultation Response Proforma

CMP320 – Island MITS Radial Link Security Factor

Industry parties are invited to respond to this consultation expressing their views and supplying the rationale for those views, particularly in respect of any specific questions detailed below.

Please send your responses by **5pm** on **27 September 2019** to cusc.team@nationalgrideso.com. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

Any queries on the content of the consultation should be addressed to Paul Mullen at paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent:	Paul Mott
Company Name:	EDF Energy
Please express your views regarding the Workgroup Consultation, including rationale. (Please include any issues, suggestions or queries)	

Standard Workgroup Consultation questions

Q	Question	Response
1	Do you believe that CMP320 Original Proposal better facilitates the Applicable CUSC Objectives?	<p>For reference the applicable CUSC objectives are:</p> <p>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;</p> <p>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</p>

		<p><i>manage connection);</i></p> <p>c) <i>That, so far as is consistent with subparagraphs (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;</i></p> <p>d) <i>Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency. These are defined within the National Grid Electricity Transmission plc Licence under Standard Condition C10, paragraph 1 *; and</i></p> <p>e) <i>Promoting efficiency in the implementation and administration of the CUSC arrangements.</i></p> <p><i>*Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).</i></p> <p>TNUoS charges need to be calculated in a cost-reflective manner for Islands which have a MITS node in future, where they are connected to mainland-MITS via a single (non-redundant) radial circuit. Under the current CUSC baseline there would be a global security factor uplift of *1.8 applied, which would not be cost-reflective as connectees on these islands do not enjoy fully financially-firm connection rights, due to restrictions in their Bilateral Agreements. This mod, if passed, will correct what would have been an over-charge, and will therefore better facilitate charging objective (b) (cost-reflective charges). A consequence of having cost-reflective charges is to ensure proper, fair competition between generators, thus better facilitating Applicable Objective (a) (competition). Moreover, this mod, if passed, would ensure that CUSC reflects changes in the transmission system over time (the introduction of single radial spurs and MITS nodes on Islands), this better facilitating Applicable Objective (c) (taking account of the developments in transmission licensees' transmission businesses).</p>
2	Do you believe that the Workgroup has met its Terms of Reference?	Yes, the discussions around the points in the terms of reference are reflected in section 4, and address all the issues.

3	Do you support the proposed implementation approach?	Yes, if passed in time, legal text is proposed to be implemented into CUSC on 1 April 2020 with immediate effect. However, if the mod were not passed by 1 st April 2020, it would make sense for the mod to be implemented from the next-following 1 st April after Ofgem's decision to implement the mod (if passed).
4	Do you have any other comments?	No
5	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No

Specific CMP320 questions

Q	Question	Response
6	Do you believe that the Legal Text (set out in Annex 3 of the Workgroup Report) achieves the intent of this Modification?	Yes
7	Would it be better, in terms of the Applicable Objectives, for the solution to apply only to subsea circuits, or also include onshore circuits as well. Please explain your answer?	The statement of defect refers repeatedly to an island scenario. We support the right of the proposer to limit the original mod to island scenarios only. However, we agree with the workgroup that it would be valid, to avoid a theoretical potential for discrimination, for an alternative to be raised by other parties to cover equivalent situations regarding onshore circuits, to avoid an over-charge in such situations (none of which currently exist as far as we know). We note that the legal text already developed is able to encompass such onshore circuits, if such a variant is raised by any workgroup member.