

## 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](mailto: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](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

<b>Respondent:</b>	Jennifer Geraghty
<b>Company Name:</b>	SSE Generation Ltd
<b>Please express your views regarding the Workgroup Consultation, including rationale.</b>  <b>(Please include any issues, suggestions or queries)</b>	Please see our answers to the specific questions below

### Standard Workgroup Consultation questions

Q	Question	Response
1	Do you believe that CMP320 Original Proposal better facilitates the Applicable CUSC Objectives?	<p>Yes, we believe CMP320 Original Proposal does better facilitate the Applicable CUSC Objectives. We have provided further explanation below:</p> <p><b>Objective a “effective competition”</b> Better. By making the TNUoS Wider locational charge for remote island generators more cost reflective, it will better facilitate effective competition. The Original Proposal will remove a market distortion which unduly disadvantages remote island generators.</p> <p><b>Objective b “cost reflectivity”</b> Better. The Original Proposal is more cost reflective. This is because generators on an island with a MITS node served by a single circuit radial link are currently being charged a price including a 1.8x</p>

		<p>security factor despite the cost of the island link only being built to provide 1x security.</p> <p><b>Objective c “developments in transmission licensees’ transmission businesses”</b>  Better. The Original Proposal better takes account of the developments in transmission licensees’ transmission businesses because it deals with a situation where a MITS node involving a subsea cable will be served with a lower than standard level of security.</p> <p><b>Objective d “Compliance with the Electricity Regulation”</b>  Neutral</p> <p><b>Objective e “efficiency in the implementation and administration”</b>  Neutral</p>
2	Do you believe that the Workgroup has met its Terms of Reference?	Yes
3	Do you support the proposed implementation approach?	Yes
4	Do you have any other comments?	<p>It is important for island generators and for island communities that a decision on this modification proposal should be reached at the earliest opportunity.</p> <p>The defect addressed by this modification represents a source of high risk for island generators which may be considering making financial commitments and final investment decisions in the near future. Such generators face a range of risks including potential changes to TNUoS charging <u>arrangements</u> (that is over and above the normal changes in the MAR to be recovered etc.) however, the defect addressed by this modification proposal represents the single largest risk.</p> <p>The defect is also currently having a detrimental impact on island communities whose plans for future security of supply are likely to be closely tied to the development of remote island generation and therefore closely tied to the outcome of this modification proposal.</p> <p>Delayed implementation could further increase the</p>

		<p>risk of jeopardising new network solutions for island communities and result in higher costs to customers.</p> <p><b>EU Renewable Energy Directive (2009/28/EC)</b>  We would suggest the following is particularly relevant to the defect relating to remote islands and renewables. The EU Renewables Energy Directive 2009, which, according to the European Union (Withdrawal) Act 2018, will continue to apply post-Brexit, states:</p> <p><i>“7. Member States shall ensure that the charging of transmission and distribution tariffs does not discriminate against electricity from renewable energy sources, including in particular electricity from renewable energy sources produced in peripheral regions, such as island regions, and in regions of low population density.”</i></p> <p>The requirement to comply with regulation highlights the importance of urgently addressing this defect in particular with regard to remote island situations, especially when generation from renewable sources is affected.</p>
.”5	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	Not at this time.

### 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?	<p>It is very important to recognise that the Original Proposal defect is focus on addressing remote island and specifically subsea circuits because this is the only situation currently identified where this defect exists.</p> <p>If, at a later date, it became apparent that a similar defect arises for onshore circuits, then it could be addressed at that time (and the CMP320 proposal,</p>

		<p>including the Decision Letter, could help guide any future onshore focussed proposal).</p> <p>However, procedurally, as has been long established, the original defect cannot be changed; even if it were considered desirable to do so; to address a perceived issue (the details of which have not been clearly articulated) from some quarters in terms of onshore – a perception which we do not share.</p> <p>For the avoidance of doubt, as proposer of CMP320 and in accordance with the proposer ownership principle in CACoP we do not expect to change the CMP320 defect.</p>
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