

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:	Grahame Neale – Grahame.Neale@nationalgrideso.com
Company Name:	National Grid ESO
Please express your views regarding the Workgroup Consultation, including rationale. <i>(Please include any issues, suggestions or queries)</i>	<i>No comments other than those listed below in relation to the consultation questions and to question if progress of the proposal needs to be more considered given the decision on this modification will no longer affect signing of CfD (Contract for Difference) contracts.</i>

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>Yes as it ensures that the TNUoS charges generators face will reflect the service they receive from the NETS in instances where the generator can be easily islanded from the rest of the NETS as a result of a single failure on the NETS that was not the generator's choice.</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 manage connection);*

No, we believe this proposal is neutral against this CUSC objective.

c) *That, so far as is consistent with sub-paragraphs (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;*

Yes, we believe the proposal is positive against this objectives as it ensures TNUoS charges matches the network (or lack of) that TOs are building.

d) *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*

No, we believe this proposal is neutral against this CUSC objective.

e) *Promoting efficiency in the implementation and administration of the CUSC arrangements.*

No, we believe this proposal is neutral against this CUSC objective.

**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).*

2	Do you believe that the Workgroup has met its Terms of Reference?	Yes we believe the Workgroup has met the Terms of Reference.
3	Do you support the proposed implementation approach?	Subject to an approval decision from Ofgem before December 2019, then we support the implementation approach described in the consultation.
4	Do you have any other comments?	Not at this time.
5	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<p>It is not clear from the consultation which version on the legal text (in Annex 3) the Proposer intends to use for their proposal, we have assumed the intention is to use the “Island Specific Approach” text. We would like to raise an alternative to ensure that the “General Approach” legal text (as detailed in Annex 3) is also considered in addition to the “Island Specific Approach” legal text.</p> <p>As mentioned in the Consultation, there are merits to an ‘Island Specific’ approach and a more ‘general’ approach and we believe it is appropriate for this to be an option for Ofgem to consider.</p> <p>An ‘Island Specific’ solution would limit the impact of this modification and so has a reduced risk of unintended consequences. However, this could be viewed to positively discriminating generators connected on a remote islands and it is unclear if this would be considered as due or undue discrimination. A more general solution would have the opposite effects (i.e. not discriminatory but greater risk of unintended consequences) whilst also providing more future proofing.</p>

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, we believe both iterations of the legal text meet the intent of the modification. We would also note that under the ‘Island Specific’ legal text that a consequential change to the CUSC would be required to add the definition of ‘Remote Island’ to Section 11 of the CUSC.
7	Would it be better, in terms of the Applicable Objectives, for the solution to apply only to subsea circuits, or also include onshore	As discussed in our response to question 5, there are merits of having a specific solution or a more general solution and we believe this topic falls into the same discussion.

	circuits as well. Please explain your answer?	
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