

CUSC Workgroup Consultation Response Proforma

CMP317:

Identification and exclusion of Assets Required for Connection when setting Generator Transmission Network Use of System (TNUoS) charges

and:

CMP327:

Removing the Generator Residual from TNUoS Charges (TCR)

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 **12 March 2020** 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:	Niall Coyle, niall.coyle@eonenergy.com , 07971247658
Company Name:	E.ON UK
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 CMP317/CMP327 Original Proposals better facilitates the Applicable CUSC Objectives?	We believe that CMP317/CMP327 better facilitates CUSC objectives 'C' & 'D'.
2	Do you support the proposed implementation approach?	Yes we support implementation of the original modification proposal
3	Do you have any other comments?	No
4	Do you wish to raise a Workgroup Consultation	No

	Alternative Request for the Workgroup to consider?	
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Specific CMP317/327 questions

Q	Question	Response
5	<p><u>Definition of physical assets required for connection to the system</u></p> <p>a) Do you agree with the three options identified in Section 4, Paragraphs 2.1-2.4? If so, which do you prefer, and why?</p> <p>b) Is there another option you think should be considered, and why? Please provide evidence if possible.</p>	<p>We agree that the definition of physical assets required for connection can be interpreted in many ways.</p> <p>we believe that excluding all local circuit and substation charges would be the best approach, as that would lead to simple charges that can be easily understood by all industry participants.</p>
6	<p><u>Amount targeted (G average)</u></p> <p>a) Do you agree with the four options highlighted in section 4, paragraph 3 for where in the range set out by the Limiting Regulation should be targeted? If so, which do you prefer and why?</p> <p>b) Is there another option you think should be considered, and why? Please provide evidence if possible.</p>	<p>We feel that the TCR direction is clear in the requirement to set the Transmission Generation Residual to zero, except where required to maintain compliance with the limiting regulation. Therefore, we believe that the only option that complies with the direction is to set no target within the range.</p> <p>We disagree with the workgroup members who state that not setting a specific target in the range is in practice to set a target of 2.50 EUR/MWh. The analysis in Annex 7 shows that no ex ante adjustment would be made to tariffs in 2021/22 charging year under this option. If 2.50 were being targeted in practice then this would not be the case.</p> <p>The other three options that set a specific target in the range require an ex ante negative adjustment to be made to all generation tariffs. This adjustment is equivalent to a residual charge, and is greater than required to achieve compliance within the limiting regulation, and as such we do not believe these options comply with the TCR direction so should not be taken forward.</p>
7	<p><u>Error Margin</u></p> <p>a) Do you agree with the two options highlighted in section 4, paragraph 4 in regards to the inclusion of an error</p>	<p>We believe the current error margin should be retained to ensure compliance with the limiting regulation.</p> <p>This reduces the risk that an ex post reconciliation</p>

	<p>margin?</p> <p>b) Is there another way to calculate the methodology for an Error margin? Please provide evidence if possible.</p>	<p>would be required to comply with the limiting regulation, which provides industry parties more tariff certainty.</p>
8	<p><u>Implementation</u></p> <p>The workgroup has identified a phased implementation approach may be preferable. Do you agree with this position or not, and if so, why? Please provide evidence if possible.</p>	<p>We believe the Implementation should take effect from April 2021, in line with wider transmission charging reforms through TCR direction.</p>
9	<p><u>Modules</u></p> <p>The workgroup have identified a number of permutations in Section 4, Paragraph 8 that could work as possible alternative solutions.</p> <p>a) Do you think any of the modular combinations are incompatible?</p> <p>b) Is there an additional module combination that you think should be considered? If so, please provide justification.</p>	<p>We believe the only compatible modules are (i), (iv) and (vii) for the reasons set out in our response to question 6.</p>
10	<p>In section 4 paragraph 2.2.6 and 2.5.3, the workgroup has identified its proposed approaches to island links. Do you agree or disagree with any of these suggested approaches? Please provide justification.</p>	<p>No Comments.</p>
11	<p>In section 4 paragraph 6, the workgroup has identified its consideration of the Reference Node.</p> <p>a) Do you have any evidence that would support solutions which include the Reference Node?</p>	<p>We believe it would be inappropriate to progress work on the reference node outside of the access & forward-looking charges SCR.</p> <p>We note within consultation document that the workgroup highlighted that the reference node drives the proportion of the forward-looking transmission Charges for both generation and demand parties. would impact a wider group of users than intended, and therefore should not be considered as part of this</p>

	<p>b) Do you have any views on the Workgroup progressing this work alongside the Access and Forward Looking Charges SCR?</p>	<p>workgroups solutions.</p> <p>We believe that Industry parties should be given the opportunity to participate fully in the development of any changes resulting from the Access SCR.</p>
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