

## Workgroup Vote – Stage 2

### CMP317 and CMP327: Workgroup Vote

**Please note:** To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

#### Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) If WACMs exist, vote on whether each WACM better facilitates the Applicable CUSC Objectives better than the Original Modification Proposal.

2c) Vote on which of the options is best.

#### The Applicable CUSC Objectives (Charging) are:

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

\*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).

## Workgroup Vote

### Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

Y = Yes, N = No, (-) = Neutral

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
Jon Wisdom – National Grid ESO						
Original	Yes	Neutral	Yes	Yes	No	Yes
WACM 1	Yes	Neutral	Yes	Yes	No	Yes
WACM 2	No	Neutral	Yes	Yes	No	No
WACM 3	No	Neutral	Yes	Yes	No	No
WACM 4	No	Neutral	Yes	Yes	No	No
WACM 5	No	Neutral	Yes	Yes	No	No
WACM 6	No	Neutral	Yes	Yes	No	No
WACM 7	Yes	Neutral	Yes	Yes	No	Yes
WACM 8	Yes	Neutral	Yes	Yes	No	Yes
WACM 9	No	Neutral	Yes	Yes	No	No
WACM 10	No	Neutral	Yes	Yes	No	No
WACM 11	No	Neutral	Yes	Yes	No	No
WACM 12	No	Neutral	Yes	Yes	No	No
WACM 13	No	Neutral	Yes	Yes	No	No
WACM 14	Yes	Neutral	Yes	Yes	No	Yes
WACM 15	Yes	Neutral	Yes	Yes	No	Yes
WACM 16	No	Neutral	Yes	Yes	No	No
WACM 17	No	Neutral	Yes	Yes	No	No
WACM 18	No	Neutral	Yes	Yes	No	No
WACM 19	No	Neutral	Yes	Yes	No	No
WACM 20	No	Neutral	Yes	Yes	No	No
WACM 21	Yes	Neutral	Yes	Yes	No	Yes
WACM 22	Yes	Neutral	Yes	Yes	No	Yes
WACM 23	No	Neutral	Yes	Yes	No	No
WACM 24	No	Neutral	Yes	Yes	No	No
WACM 25	No	Neutral	Yes	Yes	No	No
WACM 26	No	Neutral	Yes	Yes	No	No
WACM 27	No	Neutral	Yes	Yes	No	No

WACM 28	Yes	Neutral	Yes	Yes	No	Yes
WACM 29	Yes	Neutral	Yes	Yes	No	Yes
WACM 30	No	Neutral	Yes	Yes	No	No
WACM 31	No	Neutral	Yes	Yes	No	No
WACM 32	No	Neutral	Yes	Yes	No	No
WACM 33	No	Neutral	Yes	Yes	No	No
WACM 34	No	Neutral	Yes	Yes	No	No
WACM 35	Yes	Neutral	Yes	Yes	No	Yes
WACM 36	Yes	Neutral	Yes	Yes	No	Yes
WACM 37	No	Neutral	Yes	Yes	No	No
WACM 38	No	Neutral	Yes	Yes	No	No
WACM 39	No	Neutral	Yes	Yes	No	No
WACM 40	No	Neutral	Yes	Yes	No	No
WACM 41	No	Neutral	Yes	Yes	No	No
WACM 42	Yes	Neutral	Yes	Yes	No	Yes
WACM 43	Yes	Neutral	Yes	Yes	No	Yes
WACM 44	No	Neutral	Yes	Yes	No	No
WACM 45	No	Neutral	Yes	Yes	No	No
WACM 46	No	Neutral	Yes	Yes	No	No
WACM 47	No	Neutral	Yes	Yes	No	No
WACM 48	No	Neutral	Yes	Yes	No	No
WACM 49	Yes	Neutral	Yes	Yes	No	Yes
WACM 50	Yes	Neutral	Yes	Yes	No	Yes
WACM 51	No	Neutral	Yes	Yes	No	No
WACM 52	No	Neutral	Yes	Yes	No	No
WACM 53	No	Neutral	Yes	Yes	No	No
WACM 54	No	Neutral	Yes	Yes	No	No
WACM 55	No	Neutral	Yes	Yes	No	No
WACM 56	Yes	Neutral	Yes	Yes	No	Yes
WACM 57	Yes	Neutral	Yes	Yes	No	Yes
WACM 58	No	Neutral	Yes	Yes	No	No
WACM 59	No	Neutral	Yes	Yes	No	No
WACM 60	No	Neutral	Yes	Yes	No	No
WACM 61	No	Neutral	Yes	Yes	No	No
WACM 62	No	Neutral	Yes	Yes	No	No
WACM 63	Yes	Neutral	Yes	Yes	No	Yes
WACM 64	Yes	Neutral	Yes	Yes	No	Yes
WACM 65	No	Neutral	Yes	Yes	No	No
WACM 66	No	Neutral	Yes	Yes	No	No
WACM 67	No	Neutral	Yes	Yes	No	No
WACM 68	No	Neutral	Yes	Yes	No	No
WACM 69	No	Neutral	Yes	Yes	No	No
WACM 70	Yes	Neutral	Yes	Yes	No	Yes
WACM 71	Yes	Neutral	Yes	Yes	No	Yes
WACM 72	No	Neutral	Yes	Yes	No	No
WACM 73	No	Neutral	Yes	Yes	No	No
WACM 74	No	Neutral	Yes	Yes	No	No

WACM 75	<b>No</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>
WACM 76	<b>No</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>
WACM 77	<b>Yes</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
WACM 78	<b>Yes</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
WACM 79	<b>No</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>
WACM 80	<b>No</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>
WACM 81	<b>No</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>
WACM 82	<b>No</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>
WACM 83	<b>No</b>	<b>Neutral</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>

#### Voting Statement:

The ESO supports the aims of Ofgem's Targeted Charging Review and agrees that it is right to address the differences between embedded and transmission connected generators. This satisfies Applicable CUSC Objective (ACO) (a) for all solutions that do not artificially introduce a target rate into the charging methodology to ensure compliance with the Limiting Regulation. The ESO considers that all the solutions are neutral to ACO (b).

The ESO considers that all the solutions are positive when assessed against ACO (c) as they allow the ESO to properly take account of Ofgem's Direction letter following the conclusion of Ofgem's Targeted Charging Review and allow an interpretation of the Limiting Regulation to be applied into the GB charging framework. The ESO's preference for the variants of the original proposal of Charges for Assets Required for Connection comes down to our consideration that this is a simple and straightforward interpretation of the Limiting Regulation. The ESO is also mindful of Ofgem's published opinion on CMP261 where they made it clear that they had not reached a final conclusion on the applicability of all local charges to the Limiting Regulation and had, for the purposes of CMP261, only considered that offshore local circuits were appropriate to consider as Charges for Assets Required for Connection. This modification gives them an opportunity to fully consider this definition.

The ESO considers that all the solutions are potentially positive when assessed against ACO (d) as this will allow the ESO to take account of the Limiting Regulation in the correct manner when setting tariffs. Unless a change is made ahead of tariff setting for the charging year 2021/22 the ESO is at risk of breaching the lower end of the range in the Limiting Regulation. It is not clear to the ESO that BSC charges should be considered when setting transmission tariffs and a more appropriate approach may be to remove BSC charges from generators within the BSC arrangements. We are happy to consider this as a separate proposal if necessary, although we would not support an approach that made the ESO non-compliant in terms of the overall charges that are recovered from Generators in GB.

It is also not clear to us that all costs suggested to be "Congestion Management" costs by the workgroup report should be assessed as such when considering average annual charges to Generators. The lack of clarity potentially means that a conservative approach should be taken by the ESO when it sets tariffs. The legal text as written allows for this approach should the Authority consider that costs not covered by the "Ancillary Services Exclusion" (recovered currently through BSUoS charges) are charges within the scope of the Limiting Regulation and need to be considered in Generator tariff setting. We would not support an approach that made the ESO non-compliant in terms of the overall charges that are recovered from Generators in GB.

The ESO considers that all the solutions are negative with respect to ACO (e) as the changes introduce additional complexity into the charging methodology although the ESO recognises their necessity in terms of compliance with the Direction and the Limiting Regulation.

**Stage 2b – WACM Vote (If required)**

Where one or more WACMs exist, does each WACM better facilitate the Applicable CUSC Objectives than the Original Modification Proposal?

Workgroup Member (Insert Name)	
WACM	Better than Original Yes/No
WACM 1	<u>No</u>
WACM 2	<u>No</u>
WACM 3	<u>No</u>
WACM 4	<u>No</u>
WACM 5	<u>No</u>
WACM 6	<u>No</u>
WACM 7	<u>No</u>
WACM 8	<u>No</u>
WACM 9	<u>No</u>
WACM 10	<u>No</u>
WACM 11	<u>No</u>
WACM 12	<u>No</u>
WACM 13	<u>No</u>
WACM 14	<u>No</u>
WACM 15	<u>No</u>
WACM 16	<u>No</u>
WACM 17	<u>No</u>
WACM 18	<u>No</u>
WACM 19	<u>No</u>
WACM 20	<u>No</u>
WACM 21	<u>No</u>
WACM 22	<u>No</u>
WACM 23	<u>No</u>
WACM 24	<u>No</u>
WACM 25	<u>No</u>
WACM 26	<u>No</u>
WACM 27	<u>No</u>
WACM 28	<u>No</u>
WACM 29	<u>No</u>
WACM 30	<u>No</u>
WACM 31	<u>No</u>
WACM 32	<u>No</u>
WACM 33	<u>No</u>
WACM 34	<u>No</u>
WACM 35	<u>No</u>

WACM 36	<u>No</u>
WACM 37	<u>No</u>
WACM 38	<u>No</u>
WACM 39	<u>No</u>
WACM 40	<u>No</u>
WACM 41	<u>No</u>
WACM 42	<u>No</u>
WACM 43	<u>No</u>
WACM 44	<u>No</u>
WACM 45	<u>No</u>
WACM 46	<u>No</u>
WACM 47	<u>No</u>
WACM 48	<u>No</u>
WACM 49	<u>No</u>
WACM 50	<u>No</u>
WACM 51	<u>No</u>
WACM 52	<u>No</u>
WACM 53	<u>No</u>
WACM 54	<u>No</u>
WACM 55	<u>No</u>
WACM 56	<u>No</u>
WACM 57	<u>No</u>
WACM 58	<u>No</u>
WACM 59	<u>No</u>
WACM 60	<u>No</u>
WACM 61	<u>No</u>
WACM 62	<u>No</u>
WACM 63	<u>No</u>
WACM 64	<u>No</u>
WACM 65	<u>No</u>
WACM 66	<u>No</u>
WACM 67	<u>No</u>
WACM 68	<u>No</u>
WACM 69	<u>No</u>
WACM 70	<u>No</u>
WACM 71	<u>No</u>
WACM 72	<u>No</u>
WACM 73	<u>No</u>
WACM 74	<u>No</u>
WACM 75	<u>No</u>
WACM 76	<u>No</u>
WACM 77	<u>No</u>
WACM 78	<u>No</u>
WACM 79	<u>No</u>

WACM 80	<u>No</u>
WACM 81	<u>No</u>
WACM 82	<u>No</u>
WACM 83	<u>No</u>

**Stage 2c – Workgroup Vote**

Which option is the best? (Baseline, Proposer solution (Original Proposal), WACM1 or WACM2)

Workgroup Member	Company	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Jon Wisdom	National Grid ESO	Original	(a), (c), (d)