

CUSC Alternative and Workgroup Vote

CMP339: Consequential changes for CMP317/327 (TCR)

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

Stage 1 - Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative Code Modifications.

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 (Non-Charging) are:

(a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;

(b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;

(c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and

(d) 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 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative Code Modifications.

The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

Should the majority of the Workgroup OR the Chairman believe that the potential alternative solution would better facilitate the CUSC objectives then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative Code modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

“Y” = Yes

“N” = No

“-“ = Neutral

Alternative Number	WACM? Y/N/-
1	No
2	No
3	No
4	No
5	No
6	No
7	No
8	No
9	No
10	No
11	No
12	No
13	No
14	Yes
15	Yes
16	Yes
17	Yes
18	No
19	No
20	Yes
21	Yes
22	Yes

23	Yes
----	-----

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.

ACO = Applicable CUSC Objective

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
Original	No	No	No	No	No
WACM 1	No	No	No	No	No
WACM 2	No	No	No	No	No
WACM 3	No	No	No	No	No
WACM 4	No	No	No	No	No
WACM 5	No	No	No	No	No
WACM 6	No	No	No	No	No
WACM 7	No	No	No	No	No
WACM 8	No	No	No	No	No
WACM 9	No	No	No	No	No
WACM 10	No	No	No	No	No
WACM 11	No	No	No	No	No
WACM 12	No	No	No	No	No
WACM 13	No	No	No	No	No
WACM 14	Yes	No	Yes	Neutral	Yes
WACM 15	Yes	Yes	Yes	Neutral	Yes
WACM 16	Yes	No	Yes	Neutral	Yes
WACM 17	Yes	Yes	Yes	Neutral	Yes
WACM 18	No	No	No	No	No
WACM 19	No	No	No	No	No
WACM 20	Yes	No	Yes	Neutral	Yes
WACM 21	Yes	Yes	Yes	Neutral	Yes
WACM 22	Yes	No	Yes	Neutral	Yes
WACM 23	Yes	Yes	Yes	Neutral	Yes

Voting Statement:

Since the various WACMs for CMP339 exist only to facilitate the implementation of options for CMP317/326, I have considered the Original and various WACMs for CMP339 with respect to the relevant WACMS for CMP317/327 to which they relate. In this regard, where I viewed that WACMs for CMP317/327, failed to be legally compliant, failed to be better than Baseline, or failed to be better than the CMP317/327 Original, then this has tended to point towards the same conclusion for the relevant alternatives for CMP339 which relate to them.

I have summarised my rationale here and further detail can be found in my voting statement relating to CMP317/327.

“Not better” : Original and WACMs 1 to 13, plus WACM17 and WACM18

These WACMs are overall **not better** than Baseline, or Original because they relate to CMP317/327 alternatives which would not be legally compliant with regard to Regulation 838/2010 because they either use a definition of “assets required for collection” which is not legally compliant (because they exclude “all local circuits and substations”), or they fail to account for charges paid by generators for constraint management in an appropriate way, or both. They are also **worse** than Baseline and Original with regard to effective competition between GB generators and interconnected generators because they would result in a distortion to competition which put GB generators at a competitive disadvantage. This means that these WACMs for CMP339 are not better than baseline with respect to objective “b” for effective competition, or objective “c” for legal compliance.

“Better” : WACMs 14 to 17, as well as WACMs 20 to 23

These WACMs are overall **better** than both Baseline and **better** than Original. This is because these WACMs relate to CMP317/327 WACMs which are legally compliant with Regulation 838/2010 because they do use a legally compliant definition of “assets required for connection” and they do take account of charges paid by generators for constraint management in an appropriate way. This means that all of these WAMCs are better than both Baseline and better than Original with regard to objective “c” for legal compliance.

However, only some of these WACMs are better than Baseline and Original with regard to objective “b” for effective competition. I view that those WACMs which relate to CMP317/327 WACMs that use “no target within the range” are not better than Baseline, with respect to objective “b” for effective completion. This is because GB generation locational TNUoS tariffs are currently too expensive for GB generators compared with their competitors in interconnected markets, which would remain unresolved with these WACMs.

“Best” : WACM23 (although WACM21 is similarly better than the other alternatives)

The **best** option is a close call between WACM23 and WACM21 because they facilitate CMP317/327 WACM79 and WACM72 respectively which are each substantially **better** than all of the other alternatives and my preference out of these two for CMP317/327 is WACM79, which indicates the associated **best for CMP339 is WACM23**. This is because both of these options include a legally compliant definition of “assets required for connection”, they both explicitly take account of constraint costs and BSC costs and they both use the best target within the range with regards to effective competition by targeting 0 Euro. The difference between these is that CMP317/327 WACM72 uses the definition of “generator only spurs”, while its WACM79 uses the definition of “all local circuits & local substations except for pre-existing assets and shared assets”, so WACM79 takes account of “pre-existing assets” which is in line with the CMA decision regarding CMP261.

Neither require phasing because they would not cause a detrimental step change in generator charges because they would both result in average generator charges which are broadly in line with the level which generators are currently paying for charging year 2020/21. Neither require an error margin, because an error margin is not required when targeting 0 Euro because variations in generation volume, or exchange rate have no effect. Also the direction of risk would only be towards outturn average charges being greater than 0 Euro, not lower than 0 Euro. Higher charges could occur due to an event such as if, a generator earning a TNUoS credit failed to generate up to their full TEC, so received a credit of smaller value than ESO assumed when setting tariffs, which would tend to increase the average GB TNUoS charge.

Stage 2b – WACM Vote (If required)

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

WACM Number	Better than original?
1	No
2	No
3	No
4	No
5	No
6	No
7	No
8	No
9	No
10	No
11	No
12	No
13	No
14	Yes
15	Yes
16	Yes
17	Yes
18	No
19	No
20	Yes
21	Yes
22	Yes
23	Yes
24	????

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)
John Tindal	Keadby Generation Ltd	WACM23	a, b, c