

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:	<i>Daniel Hickman Daniel.hickman@npower.com</i>
Company Name:	<i>npower</i>
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	<i>Do you believe that CMP317/CMP327 Original Proposals better facilitates the Applicable CUSC Objectives?</i>	<i>Positive against c and d as ensures compliance with EU legislation and fulfils part of the TCR direction from ofgem</i>
2	Do you support the proposed implementation approach?	The implementation approach is not clear
3	Do you have any other comments?	
4	Do you wish to raise a	

	Workgroup Consultation 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>Our preferred option is that all Charges for the local circuits and substations are excluded Charges for the purposes of the Limiting Regulation.</p> <p>This appears to be the most appropriate definition of physical assets required for connection, as these are charges made in respect of specific physical assets, whether or not these assets are shared, now or in the future or if they are subsequently reused by another generator does not change the fact that they are still physical assets required for connection.</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 agree that all of the appropriate options for a target average G charge have been identified.</p> <p>Our preferred options would be to target at the lower end of the range at either €0.00/MWh or €0.50/MWh which would bring us in line with the majority of EU member states</p> <p>€0.00/MWh would be the most similar in terms of revenue collected from generation today and so would facilitate a smooth transition, however as it is on the limit of the range an error margin would need to be applied. The calculation of the error margin may lead to uncertainty in the level of charges. €0.50/MWh therefore may be a sensible target which would negate the need for an error margin.</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 margin?</p> <p>b) Is there another way to calculate the methodology for an Error margin? Please provide evidence if</p>	<p>Please see response to question 6</p>

	possible.	
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>If opting for €0.00/MWh or €0.50/MWh then a phased implementation would not necessarily be required due to the similarity with current G:D split however if the final solution were to aim towards the top of the range this would be a significant increase to the revenue collected from generation so consideration should be given to a phased implementation that would maintain compliance with 838/2010 whilst allowing generators more time to adjust to the increased costs.</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>The table appears complete</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>We do not have strong views, but as our preferred definition of assets required for connection is those covered by all local charges based on the materiality and for consistency and ease of application local charges for island links should be excluded Charges for the purposes of the Limiting Regulation.</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>b) Do you have any views on the Workgroup</p>	<p>Although solutions that involve changes to the reference node may ultimately be a more elegant solution to part of this issue we do not believe they should be progressed as part of this workgroup and that they should be thoroughly investigated and appraised following the conclusion of ofgem's access and forward looking charges SCR.</p>

	progressing this work alongside the Access and Forward Looking Charges SCR?	
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