

CUSC Code Administrator 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 Generator Residual Charges from TNUoS (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 to cusc.team@nationalgrideso.com by **5pm on 20 July 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Panel.

If you have any queries on the content of this consultation, please contact Joe Henry joseph.henry2@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Christopher Granby
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For reference the applicable CUSC objectives 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).*

Please express your views in the right-hand side of the table below, including your rationale.

Standard Code Administrator Consultation questions		
1	Do you believe that the CMP317/327 Original solution, or any WACMs better facilitate the Applicable CUSC Objectives?	<p>We do not believe that the Original solution better facilitates the Applicable CUSC Objectives.</p> <p>We believe that virtually all of the WACMs provide a better solution than the Original proposed solution.</p> <p>Of the WACMs we believe that WACM 72 is the least worst option. It appears to consider the wider impacts of these proposals in a more thorough fashion than the simplistic Original solution.</p> <p>We would stress that the status quo is our preferred option.</p>
2	Do you support the proposed implementation approach?	<p>We do not support the proposed implementation. We believe that the timescales are too short and that the wider industry is still largely ignorant of the potential impacts. The proposal for this to be in place by April 2021 seems needlessly swift and will lead to much disquiet in the investment community. Additionally this appears to ignore the departure from the European Union at the end of the year. Considering the €2.50 cap is a fundamental part of these considerations it feels foolhardy to press on with changes ahead of clarity regarding our future trading arrangements with Europe.</p>
3	Do you have any other comments?	<p>The proposal is verbose, difficult to understand and for an issue that has such a fundamental impact has been poorly communicated to wider industry. The proposal takes no account of wider impacts on the electricity industry, fails to understand how investment decisions are made and fundamentally ignores any knock on impacts on Capacity Market and CfD contracts, both existing and those in the future. The simple fact that there are over 80 WACMs to consider tells us how complex a subject this is and the speed with which the workgroup are trying to push forward to a conclusion on such a fundamental issue without wider industry engagement could be considered reckless. In short, the virtually invisible savings this will supposedly bring electricity consumers pale into insignificance when compared with the upheaval, uncertainty and extra costs it will bring to the generation community, all of which will ultimately be passed back to the end consumer in the form of</p>

		higher clearing prices in the CFD, CM and electricity market.
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