

**CUSC Workgroup Consultation Response Proforma****CMP324 and CMP325: Generation Zones – changes for RIIO-T2 and Rezoning – CMP324 expansion**

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](mailto:cusc.team@nationalgrideso.com) by **5pm on 18 March 2020**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation please contact Joseph Henry [joseph.henry2@nationalgrideso.com](mailto:joseph.henry2@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

Respondent details	Please enter your details
<b>Respondent name:</b>	Sweyn Johnston
<b>Company name:</b>	Orkney Islands Council
<b>Email address:</b>	Sweyn.johnston@orkney.gov.uk
<b>Phone number:</b>	01856852271

**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 regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.**

<b>Standard Workgroup Consultation questions</b>		
1	Do you believe that the CMP324 and CMP325 Original Proposal better facilitates the Applicable CUSC Objectives?	Yes
2	Do you support the proposed implementation approach?	Yes
3	Do you have any other comments?	Scottish Islands will play a critical role in delivering large volume renewable energy critical in meeting the UK and Scottish Government net zero targets. It is therefore critical that generators in these areas are not unfairly penalised by the charging regime.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
<b>Specific CMP324 and CMP325 Workgroup Consultation questions</b>		
5	What are your views on the potential solutions discussed in the report? Please provide any evidence or rationale for your preferred solution.	The Original option (Transmission Zones = Demand Zones) is preferred. All other potential alternatives would seem to result in separate charging zones for each Island Group, even if they contained only 1 node.
6	What are your views on the distributional effects of the potential solutions outlined? Please provide your rationale.	It is understood that some lower cost nodes will be averaged with higher costs nodes and that the range between low and high will be significant in zones where Island generation is included. However the potential impact to the lower cost nodes will be significantly less.