

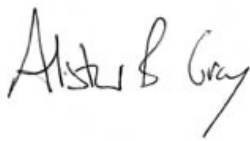
11th March 2020

Dear Sirs,

CMP324 and CMP325: Generation Zones – changes for RIIO-T2 and Rezoning – CMP324 expansion

Please find below our response to the workshop consultation.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'Alistair Gray', with a stylized flourish at the end.

Alistair Gray
Director

Standard Workgroup Consultation questions

1	Do you believe that the CMP324 and CMP325 Original Proposal better facilitates the Applicable CUSC Objectives?	Following the UK Government's legislation for net zero emissions by 2050 (2045 in Scotland) and Ofgem's new decarbonisation action plan it will now be crucial that government, the industry and the regulator work together to deliver the actions and reforms in practice, then yes, we support the Original proposal.
2	Do you support the proposed implementation approach?	Yes, we support the proposed implementation approach for April 2021.
3	Do you have any other comments?	<p>The UK has committed to net zero by 2050. The immediate grid infrastructure planned to connect onshore areas in the next 5 years, such as the Scottish Islands, are part of the infrastructure required to connect generation to meet the 2050 commitment. If the costs for using this infrastructure under charging models proposed for 2024/5 were to be excessive not only would new zero carbon generation not be built but existing embedded generators, including many community groups, in the north of Scotland and the Scottish islands would be bankrupted.</p> <p>Island generation is termed "onshore" in the current CUSC thus should be treated the same as UK mainland generators and benefit from socialised use of system charges.</p> <p>Consideration requires to be given as to how the new charging regime would apply to generators in Orkney connected to the distribution grid through the Orkney RPZ Active Network Management system as they have non-firm connections subject to curtailment. If they were to be subjected to the full impact of the proposed TNUoS charging regime then they would require full access to the UK grid.</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No.

Specific CMP324 and CMP325 Workgroup Consultation questions

5	What are your views on the potential solutions discussed in the report? Please provide any evidence or rationale for your preferred solution.	We prefer the Original option (Transmission Zones = Demand Zones) 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	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

	outlined? Please provide your rationale.	included
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