

CUSC Code Administrator Consultation Response Proforma**CMP324/5 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 by **5pm on 24 June 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:	Gavin Brown
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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 CMP324/5 Original solution, WACM1, WACM2 or WACM3 better facilitates the Applicable CUSC Objectives?	<p>We believe that the Original Solution, WACM2 and WACM3 would best facilitate objective a, by providing a more stable and well-understood long-term charging environment within which generators will be better able to develop competitive projects. They would also facilitate objective e, by removing the industry overhead associated with the System Operator's reassessment of the generation zones at regular intervals.</p> <p>WACM1 would not facilitate objective a, because it would retain the lifetime uncertainty and complexity identified in the CMP324/325 defect. It would also not facilitate objective e, because it would retain the need for the System Operator to reassess the generation zones at regular intervals.</p> <p>We consider that none of the options proposed would compromise objective b, because each option would retain a clear geographical charging signal reflecting costs relating to provision of the transmission network in the different areas of the network.</p>
2	Do you support the proposed implementation approach?	<p>Yes, in its timing, and in as far as the approach is described.</p> <p>Maximum possible clarity on likely TNUoS tariffs is essential for developers wishing to enter into the next proposed Contracts for Difference auction.</p>
3	Do you have any other comments?	<p>We consider that WACM3 and the Original proposal represent the best implementation options.</p> <p>Whilst acknowledging that there is nothing preventing implementation of the suggestion in the final sentence of section 3.35 of the Consultation Report "... the question of zoning for remote islands would be better considered as a separate CUSC modification with appropriate opportunity for industry to fully consider the implications specifically relevant for remote islands", we consider that such an action would undermine tariff affordability and stability for island projects, which is even more critical for them than for onshore generators.</p>