

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
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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>Some of the options for CMP317/327 better meet the applicable objectives. We do not support a definition of connection assets which is wider than Generator Only Spurs. A connection by definition should be specific to a generator not shared by a number of different users. Using a GOS definition would also be consistent with the approach adopted so far for offshore assets. Indeed, we believe that up to this point the reason that GOS have formed the basis of the definition of connection assets is because they so logically meet the requirements of this. Extending this definition to wider local assets is more of a stretch to rationalise. Local charges were originally defined in order that specific security factors could be used for certain parts of the network, not as a proxy for connection assets. We can understand why the ESO would prefer to use this as the definition, as it makes the arrangements more straightforward to administer. However, we believe that options based around a definition of all local charges as connection assets goes too far and fails to meet the requirements of Regulation EU 838/2010.</p> <p>All of the options which either target a point on the range of €2.5 to €0, or have no target but ensure that the charges are within the range, would be consistent with Regulation EU 838/2010. However, the option that does not set a target appears to in practice target the upper end of the range. This means that TNUoS paying generators will experience a charge increase which is not necessary to meet the regulation. This would work against competition in the wholesale market. We believe an option should be chosen which targets closer to zero. This would bring average charging in GB in line with that for most countries in the rest of Europe better promoting cross border competition.</p> <p>Therefore, we do not support options which either use all local charges as the definition for connection charges or do not set a target in the range, or do both.</p>

2	Do you support the proposed implementation approach?	Yes.
3	Do you have any other comments?	No thank you.