

CUSC Code Administrator Consultation Response Proforma**CMP353 'Stabilising the Expansion Constant and non-specific Onshore Expansion Factors from 1st April 2021'**

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 **2pm on 19 November 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 Paul Mullen paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	David Boyland
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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 use of the system charging methodology.*

**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 CMP353 Original solution better facilitates the Applicable Objectives?	We agree with the original solution that CMP353 suggests and believe that this better facilitates the intended objectives.
2	Do you support the proposed implementation approach?	We support that the implementation of this modification is urgent and that it should be implemented, to mitigate the potentially material and inappropriate impacts in 2021/22.
3	Do you have any other comments?	<p>We welcome the raising of this urgent CMP in response to the concerns identified about the applicability of the available dataset to its proposed use.</p> <p>When submitting the requested data, we highlighted our serious reservations for the proposed use of the data. The provisions in the STC are quite short; for example there is a lack of definition as to what data was required, the scope of the data categories, the data did not represent our current and future investment activity (i.e. refurbishment), and the small number of data points. The timing of the original informal data request did not align with our business planning processes. We would support working together between the ESO and TOs to investigate whether an appropriate dataset is available and the process for collation.</p> <p>On listening to our stakeholders', we take this opportunity to highlight our grave concerns relating to the wider TNUoS methodology as a whole. The need for such modifications like CMP353 calls into question whether the overarching methodology is fit for purpose. As it is currently designed, generators are continually exposed to volatile and unpredictable charges. Updating the TNUoS methodology on an ongoing basis like this (i.e. via continuous and frequent modifications) exacerbates such instability.</p> <p>We accept that the principles behind TNUoS should reflect the most efficient use of the transmission network. However, in doing so, the methodology should be designed to enable and facilitate (not hinder) the connection of low carbon developments in geographical locations rich in renewable resources. This is key to ensuring that grid charging is actively contributing and enabling the UK's strategic Net Zero aspirations. If the methodology continues to block such activity, we are deeply concerned that Net Zero will not be met.</p> <p>We advocate that action should be taken to review the TNUoS methodology as a whole, addressing the volatility and unpredictability of TNUoS which burdens risk on generators, resulting in unintended consequences faced by the end consumer and society.</p>