

**CUSC Code Administrator Consultation Response Proforma****CMP353 'Stabilising the Expansion Constant and non-specific Onshore Expansion Factors from 1<sup>st</sup> 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](mailto: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](mailto:paul.j.mullen@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com).

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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?	<p>Yes. We absolutely believe that this mod should be passed without delay. We believe that the proposed increases under the current methodology are completely unreasonable and provide a significant risk to the viability of much of the renewable generation while providing an unreasonable windfall to generators who have the fortune to have been based in the southern parts of the country. Such large changes to charges at such short notice are wholly unacceptable and create great distrust in the CUSC process. An 83% increase in the slope needs years, not months, of notice.</p> <p>.</p> <p>We believe that these unexpected changes to the locational costs could even lead to the failure of parties with significant southern demand or northern generation bias, or single site generators.</p> <p>It is vital to allow time for further work to be completed in this area to take account of (objective c) the developments in transmission licensees' transmission businesses including, apparently, such a dramatic increase in transmission system basic elemental costs; we should avoid precipitately applying costs to Generators and Demand that may not ultimately best meet this objective. The ESO has not seemed able to show complete confidence in the data the TOs have given it, meaning that objective b is best achieved by passing CMP353 so that we can be sure the new data is correct</p> <p>Passing the mod also assists in meeting objective e, since it is now clear that baseline CUSC has very flawed consequences in these unexpected circumstances.</p>
2	Do you support the proposed implementation approach?	<p>Emphatically yes. The uncertainty and damage created by the of the 83% increase in the tariffs needs resolution as soon as possible. CMP353 must be determined rapidly. We strongly agree with urgency.</p>

3	Do you have any other comments?	<p>Yet again we see a lack of foresight and communication is leading to near panic within the generation community. It is a serious issue around governance of the network that we are constantly facing huge hikes to generation tariffs and leads to questions of suitability of the CUSC and Ofgem's constant tinkering with the rules. The rules will need changing within this price control to avoid the industry being in this dire situation ever again.</p> <p>Again, we stress that industry should have been given significantly more notice of these proposed changes...</p>
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