

CUSC Workgroup Consultation Response Proforma

CMP357 'To improve the accuracy of the TNUoS Locational Onshore Security Factor for the RIIO2 Period'

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 8 January 2021**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Simon Lord
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For reference the applicable CUSC (charging) 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; and*
- e. *Promoting efficiency in the implementation and administration 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 regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

CMP357 - Standard Workgroup Consultation questions		
1	Do you believe that the CMP357 Original Proposal or the potential alternative options better facilitates the Applicable Objectives?	Yes
2	Do you support the proposed implementation approach for CMP357?	Yes
3	Do you have any other comments?	<p>The tariff is created to 6 significant figures (sf) , inputs to the security factor are all greater than 6 sf so the use of any rounding to less than 6 sf will produce a rounding error.</p> <p>We support the approach of reducing the rounding error as this proposal suggests.</p> <p>A rounding error will be produced if the number is rounded to 1 or 2 significant figures. This will benefit one group of generators and disbenefit others as the number currently will be rounded up. At some point in time it is likely that the opposite effect will happen when the number is rounded down. A fairer way is to remove the rounding error completely so all are treated equally.</p> <p>This rounding error is more significant than in previous price controls as the range of TNUoS (most positive to most negative) is now much larger than in previous price controls</p>
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	No
Specific Workgroup Consultation Questions		
5	Do you have any further analysis/evidence to support your conclusions under Question 1?	no
6	Will the CMP357 Original Proposal or the potential alternative options impact on your business. If so, how?	Produce improved cost signals and hence facilitate competition.