

CUSC Alternative and Workgroup Vote

CMP326: Introducing a Turbine Availability Factor' for use in Frequency Response Capacity Calculation for Power Park Modules (PPMs)

Please note: To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

Stage 1 - Alternative Vote

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

Stage 2 - Workgroup Vote

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) If WACMs exist, vote on whether each WACM better facilitates the Applicable CUSC Objectives better than the Original Modification Proposal.

2c) Vote on which of the options is best.

Terms used in this document

| Term | Meaning |
|----------|---|
| Baseline | The current CUSC (if voting for the Baseline, you believe no modification should be made) |
| Original | The solution which was firstly proposed by the Proposer of the modification |
| WACM | Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup) |

The applicable CUSC objectives are:

- The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
- Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency*; and
- Promoting efficiency in the implementation and administration of the CUSC arrangements.

*Objective (c) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).

Workgroup Vote

Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.

Should the majority of the Workgroup OR the Chairman believe that the potential alternative solution would better facilitate the CUSC objectives (against Baseline or the Original) then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.

“Y” = Yes

“N” = No

“-“ = Neutral

Not required as no Workgroup Alternative Requests

Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

| Workgroup Member | Better facilitates ACO (a) | Better facilitates ACO (b) | Better facilitates ACO (c) | Better facilitates ACO (d) | Overall (Y/N) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|---------------|
| James Stone - National Grid ESO | | | | | |
| Original | Yes | Neutral | Neutral | Neutral | Yes |
| <p>Voting Statement:</p> <p>The ESO considers that the CMP326 Original Proposal is positive in relation to Applicable CUSC Objective (a) as the change will ensure that the Holding Payments made by NGENSO in respect of Frequency Response for Power Park Modules (PPM) will be fully reflective of the true response capability and level of service the site in fact provides.</p> <p>The ESO considers that the solution is neutral in terms of satisfying ACO (b), ACO (c) and ACO (d).</p> | | | | | |

| Workgroup Member | Better facilitates ACO (a) | Better facilitates ACO (b) | Better facilitates ACO (c) | Better facilitates ACO (d) | Overall (Y/N) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|---------------|
| Garth Graham – SSE Generation Ltd | | | | | |
| Original | Yes | Neutral | Neutral | Neutral | Yes |
| <p>Voting Statement:</p> <p>In principle I agree with the ESO that the CMP326 Original Proposal is positive in relation to Applicable CUSC Objective (a) as the change will ensure that the Holding Payments made in respect of Frequency Response for Power Park Modules (PPM) will be fully reflective of the true response capability and level of service the site in fact provides.</p> <p>I consider that the solution is neutral in terms of Applicable Objectives (b), (c) and (d).</p> <p>Overall it is better.</p> <p>However, it is important to note that the ESO in applying this principle ('that the payments reflect the true response and level of service provided') needs to ensure that it is being applied, by the ESO, in the same way to <u>all</u> other providers of <u>all</u> other frequency related services / products; including, but not limited to, Frequency Containment Reserve, Frequency Response Reserve and Replacement Reserve.</p> <p>I am not certain that this does actually happen today (is the principle applied, for example, to Dynamic Containment?) and <u>if</u> this was the case then CMP326, by only applying this principle to PPMs could, it seems to me, be considered to be introducing discrimination into the CUSC – <u>if</u> that were to be the case then it would not, in my view, be better at</p> | | | | | |

facilitating Applicable Objectives (c) or (d) and that these detrimental aspects would outweigh any benefits in terms of Applicable Objective (a) such that, overall it would not be better when compared with the baseline (which does not have this discrimination in treatment – if it arises in this case).

| Workgroup Member | Better facilitates ACO (a) | Better facilitates ACO (b) | Better facilitates ACO (c) | Better facilitates ACO (d) | Overall (Y/N) |
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------|
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------|

Kate Garth – RWE Renewables

| | | | | | |
|----------|-----|---------|---------|---------|-----|
| Original | Yes | Neutral | Neutral | Neutral | Yes |
|----------|-----|---------|---------|---------|-----|

Voting Statement:

I agree with the ESO that the CMP326 Original Proposal is positive in relation to Applicable CUSC Objective (a) as the change will ensure that the Holding Payments made in respect of Frequency Response for Power Park Modules (PPM) will be fully reflective of the true response capability and level of service the site in fact provides, and neutral in regard to the other CUSC objectives, However this positive assessment re Objective (a) is predicated on the basis that the issues regarding the data accuracy and use of the Power Available signal will have been resolved before implementation, as if not, the solution would be worse in terms of all Applicable CUSC Objectives compared to the baseline. It is unfortunate that the data accuracy issues regarding Power Available are outside the scope of this Modification, as they are integral to a positive outcome of this Modification.

| Workgroup Member | Better facilitates ACO (a) | Better facilitates ACO (b) | Better facilitates ACO (c) | Better facilitates ACO (d) | Overall (Y/N) |
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------|
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------|

Ricardo Da Silva – Scottish Power Renewables

| | | | | | |
|----------|-----|---------|---------|---------|-----|
| Original | Yes | Neutral | Neutral | Neutral | Yes |
|----------|-----|---------|---------|---------|-----|

Voting Statement:

I agree that the Original proposal for CMP326 is positive in relation to objective a) of the CUSC as the change will ensure the holding payments for renewable generators with Power Available signals will be reflective of the true response capability of the site at any given moment.

Although I consider the solution is neutral to applicable CUSC objectives b), c) and d), I hope the change promotes competition indirectly and unintentionally, building upon System Operator's confidence in relation to utilising variable renewable generation in critical services such as frequency response; being a step forward to provide zero carbon services for ensuring zero carbon system operation.

| Workgroup Member | Better facilitates ACO (a) | Better facilitates ACO (b) | Better facilitates ACO (c) | Better facilitates ACO (d) | Overall (Y/N) |
|--|----------------------------|----------------------------|----------------------------|----------------------------|---------------|
| Ross Haywood – RWE Supply & Trading GmbH | | | | | |
| Original | Yes | Neutral | Neutral | Neutral | Yes |
| Voting Statement: I agree that the original proposal of CMP326 would create an overall positive outcome, as it would further help to ensure that all BMUs, regardless of technology, are remunerated fairly for their frequency response capability. However, the effectiveness of this new principle shall depend highly on the mass-rollout of, and indeed the overall quality of, the Power Available signal across <u>all</u> competing PPMs. | | | | | |

Stage 2b – WACM Vote (If required)

Where one or more WACMs exist, does each WACM better facilitate the Applicable CUSC Objectives than the Original Modification Proposal?

Not required as no Workgroup Alternative Requests

Stage 2c – Workgroup Vote

Which option is the best? (Baseline or Proposer solution (Original Proposal))

| Workgroup Member | Company | BEST Option? | Which objective(s) does the change better facilitate? (if baseline not applicable) |
|------------------|---------------------------|--------------|--|
| James Stone | National Grid ESO | Original | a |
| Garth Graham | SSE Generation Ltd | Original | a |
| Kate Garth | RWE Renewables Response | Original | a |
| Ricardo Da Silva | Scottish Power Renewables | Original | a |
| Ross Haywood | RWE Supply & Trading GmbH | Original | a |

Of the 5 votes, how many voters said this option was better than the Baseline.

| Option | Number of voters that voted this option as better than the Baseline |
|----------|---|
| Original | 5 |