

CMP224 - Cap on the total TNUoS Target Revenue to be recovered from Generation Users



CUSC Panel – 27/09/2013

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Background

- EC Regulation 838/2010
 - Annual average transmission charges payable by generators – 0–2.5 €/MWh
- Current range applies until December 2014
 - ACER is reviewing the appropriateness of this range for the period beyond 1st January 2015
 - ACER's opinion shall be provided to the Commission by 1st January 2014

Summary of Defect

- National Grid runs the risk of exceeding this range in future
 - Not modified since 2005
 - No indexation e.g. inflation applied

$$\text{Annual Average Transmission Charge}_{\text{Generators}} = \frac{\text{Annual Total Transmission Tariff Charge}_{\text{Generators}}}{\text{Total measured energy injected in the System}_{\text{Generators}}}$$

- Annual Total Transmission Tariff Charge_{Generators} = 27% X MAR
 - Increasing year on year

Proposed CUSC Modification

- Cap on annual generation TNUoS revenue
 - adjust revenue collected from generation users
 - modify G/D split ratio
 - remain within the prescribed range
- Applied only if the range is being exceeded
 - Revenue and Demand forecasts
 - £/€ Exchange rate fluctuation
 - ACER Review Outcome

Justification against Applicable CUSC Objectives

nationalgrid

“The Use of System Charging Methodology, as far as is reasonably practicable, properly takes account of the developments in transmission licensees' transmission businesses”

The European Commission Regulation 838/2010 is legally binding for all Transmission licensees across Europe. National Grid believes that this proposal ensures that it remains compliant with the European legislation and properly reflects National Grid's duties in the development of its transmission business, in the absence of an overarching direction of European charging arrangements.

Code Administrator Proposed Progression

- The Panel is asked to agree:
 - whether CMP224 should be progressed through Self-governance
 - how to progress CMP224
 - Workgroup
 - Code Administrator Consultation
 - whether CMP224 is exempt from the ongoing SCR

Proposed Timetable

W/C 30 September	Workgroup Nominations and draft ToR circulated
W/C 14 October	Workgroup Meeting 1
W/C 28 October	Workgroup Meeting 2
W/C 11 November	Workgroup Meeting 3
W/C 18 November	WG Consultation issued for 1 week Workgroup comment
W/C 25 November	WG Consultation published for 3 weeks
W/C 16 December	WG meeting 4
13 January	Circulate draft WG Report
20 January	Deadline for Comment
23 January	Submit final WG Report to Panel
31 January	Present WG Report at Panel meeting