

Code Administrator Consultation Response Proforma**CMP368: Updating Charges for the Physical Assets Required for Connection, Generation Output and Generator charges for the purpose of maintaining compliance with the Limiting Regulation & CMP369: Consequential changes to Section 14 of the CUSC as a result of the updated definitions introduced by CMP368**

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

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

Respondent details	Please enter your details
Respondent name:	Paul Youngman
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I wish my response to be:

(Please mark the relevant box)

☒ Non-Confidential☐ Confidential

Note: A confidential response will be disclosed to the Authority in full but, unless agreed otherwise, will not be shared with the Panel or the industry and may therefore not influence the debate to the same extent as a non-confidential response.

CMP368**For reference the Applicable CUSC (non-charging) 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).*

CMP369**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 in the right-hand side of the table below, including your rationale.

CMP368 Standard Code Administrator Consultation questions		
1	Do you believe that the CMP368 Original Proposal or WACM1, WACM 2, WACM3, WACM4, WACM5, WACM6, WACM7, WACM8, WACM9, WACM10, WACM11, WACM12, WACM13, WACM14, WACM15, WACM16, WACM17, WACM18, WACM19 better facilitates the Applicable Objectives?	<p>In our opinion the preferred outcome would of been a consensus proposal facilitated by the proposer of the original solution. Although some elements were helpfully incorporated such as transparency requirements, other matters were not adopted into the original proposal. Given the desire of the workgroup to enable Ofgem to finalise a decision that is legally compliant there are a number of alternative proposals.</p> <p>It is our opinion that WACM 18 would provide the most comprehensive and clearest set of definitions that can be applied, and be assured to be legally compliant. We also believe that WACM 17 and WACM 7 and WACM 8 are implementable as they consistently apply the changes to all producers. All these alternatives would in our view satisfy relevant objective c). We have also considered that WACM 18 is positive against relevant objective b) as it could improve competition as it has the clearest and most appropriate application of the new definitions.</p>
2	Do you support the proposed implementation approach?	<p>We note that the modification states that a decision is required by 31 October 2021. We do not believe this date is driven by legal compliance, but by the practicalities of including any revision within updated charges.</p> <p>We also note that the process to clarify the connection type, and the applicability of the connection exclusion as discussed in the Business Rules section of the modification report and the illustrative examples, is neither totally clear nor simple for the ESO to implement. Workgroup members refrained from proposing different implementation timescales in order to minimise the number of WACMS. We ask that Ofgem will carefully consider extending the period of implementation and provide sufficient time for the NPEA / PEA local asset definitions process to be applied and reviewed to ensure consistency and accuracy.</p>
3	Do you have any other comments?	None.

CMP369 Standard Code Administrator Consultation questions		
1	Do you believe that the CMP369 Original Proposal	Yes. The purpose of CMP369 is to apply the definitions for whichever version of CMP368 Ofgem decides to implement. In facilitating the implementation of any change for CMP 369 will

	better facilitates the Applicable Objectives?	satisfy relevant Objective e) <i>Promoting efficiency in the implementation and administration of the system charging methodology</i>
2	Do you support the proposed implementation approach?	Yes. As noted for CMP368 there are issues to consider in the timing of implementation and in the clear application of any business rules that are defined as an appendix within Section 14 of the CUSC.
3	Do you have any other comments?	None.