

Code Administrator Consultation Response Proforma**CMP384: Apply adjustments for inflation to manifest error thresholds using Indexation**

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 20 September 2022**. 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 Ren Walker Lurrentia.walker@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Ryan Ward
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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.

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.

***The Electricity Regulation referred to in objective (d) is Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) as it has effect immediately before IP completion day as read with the modifications set out in the SI 2020/1006.*

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 the Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original Solution better facilitates:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">Original</td> <td style="width: 10%; text-align: center;"><input checked="" type="checkbox"/>A</td> <td style="width: 10%; text-align: center;"><input checked="" type="checkbox"/>B</td> <td style="width: 10%; text-align: center;"><input checked="" type="checkbox"/>C</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/>D</td> <td style="width: 10%; text-align: center;"><input checked="" type="checkbox"/>E</td> </tr> </table> <p>ScottishPower Renewables believes that the original proposal of revising the manifest error thresholds in line with the present day value better facilitates against the objectives A, B, C and E. However, the proposal is neutral on objective D.</p> <p><u>Objective A</u></p> <p>By increasing the manifest error thresholds in line with the current inflation, this ensures the thresholds in place remain proportionate, relevant and minimises the likelihood of potentially over/under recovery, impacting users directly. This unforeseen impact can create an unlevel playing field for users when the objective is to facilitate effective competition between them.</p> <p><u>Objective B & C</u></p> <p>The pass-through reconciliation from the manifest error will be proportionate using the revised thresholds as the value set in October 2006 will be indexed in line with inflation and then the TO price control volume indexation, ensuring consistency and reflective of current industry practise.</p> <p><u>Objective D</u></p> <p>Neutral</p> <p><u>Objective E</u></p> <p>By increasing the manifest error threshold to reflect the current day value, this proposal should reduce ad hoc and unexpected reconciliations late on in the charging year. Unforeseen changes (wins or losses) provide uncertainty and inefficiency for users. If a loss occurs,</p>	Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input checked="" type="checkbox"/> C	<input type="checkbox"/> D	<input checked="" type="checkbox"/> E
Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input checked="" type="checkbox"/> C	<input type="checkbox"/> D	<input checked="" type="checkbox"/> E			

		users are not provided sufficient time to be able to recover for this.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No SPR are aligned with the date of the 1 st of April 2023.
3	Do you have any other comments?	<ul style="list-style-type: none"> • SPR are aligned with NGENO concluding view from GB ECM-5 that the criterion remains an appropriate and proportionate measure which does not discriminate between classes of users and is equally applicable for generation and demand users of all sizes. However, requires updating to be in line with inflation. • The criteria of what constitutes a Manifest Error was discussed and deemed to still remain valid by the workgroup. • The proposal should be simple, quick and effective amendment to rectify the static nature of the manifest error threshold which was set in 2006. • If the manifest error threshold previously set was inflated as recommended, only 1 of the 3 users impacted in the 21/22 charging year would have required a reconciliation. Avoiding unforeseen benefit or loss to the other parties. • Credits and charges should be set at the same threshold to be collected / paid in the same time frame in order of consistency and fairness.