

Second Code Administrator Consultation Response Proforma**CMP344: Clarification of Transmission Licensee revenue recovery and the treatment of revenue adjustments in the Charging Methodology**

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 17 January 2023**. 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 Paul Mullen Paul.j.mullen@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Ryan Ward
Company name:	ScottishPower Renewables
Email address:	Ryan.Ward@ScottishPower.com
Phone number:	07818538595

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 CMP344 Original Proposal better facilitates the Applicable Objectives?	Mark the Objectives which you believe each solution better facilitates:				
		<table border="1"> <tr> <td>Original</td> <td><input checked="" type="checkbox"/>A</td> <td><input checked="" type="checkbox"/>B</td> <td><input type="checkbox"/>C</td> <td><input type="checkbox"/>D</td> <td><input checked="" type="checkbox"/>E</td> </tr> </table> <p>Objective A: Better Facilitates The Original Proposal better facilitates effective competition by removing the risk for generators of IAEs being included within local tariffs. The removal of IAEs enables competition based on underlying project costs and could reduce projects risk premia, benefiting end consumers.</p> <p>Objective B: Better Facilitates CMP344 ensures consistency between onshore and offshore generators for the risk associated from IAEs. Risks should be placed with parties who are able to mitigate and manage them. To date there is no evidence that generators can mitigate the risk of IAEs. Therefore, It is appropriate for the risk to be socialised, better ensuring cost reflective pricing for generators.</p> <p>Objective E: Better Facilitates The original better facilitates the admin of the charging arrangements by removing potential ambiguity within the CUSC.</p> <p>Objective C & D: Neutral</p>	Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C
Original	<input checked="" type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> C	<input type="checkbox"/> D	<input checked="" type="checkbox"/> E	
2	Do you support the proposed	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

	implementation approach?	
		Implementation date of 1 st of April 2023 – no further comments.
3	Do you have any other comments?	No additional comments.