

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:	Garth Graham
Company name:	SSE Generation
Email address:	Garth.graham@sse.com
Phone number:	01738 456000

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:
		Original <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E
		<p>Yes. As we set out in our December 2020 submission to the first Code Administrator Consultation, we continue to believe (after reviewing the 'send back' related information) that CMP344 Original does, overall, better facilitates Applicable Objectives (a), (b) and (e) whilst being neutral in terms of (c) and (d).</p> <p>This is because the proposal ensures the CUSC takes into account the situation in terms of the Offshore and Onshore arrangements as regards unexpected and unforeseen (as well as unforeseeable) events.</p> <p>By doing this it ensures that competition in the generation of electricity is better facilitated whilst also enabling cost reflective tariffs to be better facilitated and, furthermore, that the implementation and administration of the CUSC is more efficiently facilitated.</p>
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		We support the proposed implementation approach.
3	Do you have any other comments?	<p>We welcome both the further legal text clarification and the further analysis provided as a result of the Workgroup responding to the send back.</p> <p>In terms of the possible linkage to the OTNR work, we believe that CMP344 is sufficiently progressed (when compared with the OTNR work currently) whilst also</p>

		<p>being a 'stand-alone' item that it merits a decision being made upon it without being encumbered by what may (or may not) emerge later from the OTNR outputs (which would still require at that point, as here, a CUSC change if it was to concern similar matters to CMP344). In that regard, a decision on CMP344 would be of a '<i>least regrets</i>' nature.</p>
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