

## Workgroup Consultation Response Proforma

### CMP331: Option to replace generic Annual Load Factors with Site Specific ALFs

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](mailto:cusc.team@nationalgrideso.com) by **5pm on 11 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 [Sally.musaka@nationalgrideso.com](mailto:Sally.musaka@nationalgrideso.com) or [cusc.team@nationalgrideso.com](mailto:cusc.team@nationalgrideso.com)

Respondent details	Please enter your details
<b>Respondent name:</b>	Paul Youngman
<b>Company name:</b>	Drax
<b>Email address:</b>	paul.youngman@drax.com
<b>Phone number:</b>	07738 802266

#### 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 Workgroup Consultation questions		
1	Do you believe that the Original Proposal better facilitates the Applicable Objectives?	Mark the Objectives which you believe the original solution better facilitates:
		Original <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		We believe that there could be a positive impact on applicable objective (a) competition, by creating a more level playing field for new generators. Rather than being set a generic ALF based on a potentially non representative average the generator would provide its own site-specific ALF. As operational data becomes available in subsequent years the ALF will alter to reflect the actual characteristics of the plant.
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Yes. It seems appropriate that if approved the new arrangements would be implemented from 1 April 2024.
3	Do you have any other comments?	We believe that there needs to be more analysis of the impact in aggregate of new generation coming on the system. If these all have potentially reduced ALF's (compared to the current method) this will alter the ESO charging assumptions and impact on the charges faced by existing generators.
4	Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		We do not wish to raise an alternate at this time but may do so in the future.

Specific Workgroup Consultation questions		
5	Do you believe that reconciliation of Generic or site-specific ALFs to actual ALFs should take place? And if so whether the reconciliation of charges would cause issues for Parties?	We agree with the principle that the performance of new plant against their self-certified ALF should be monitored and if there is a significant material difference between them then reconciliation should occur. It may be sensible to put a de-minimus value that should be applied.
6	What could be considered acceptable evidence as part of the independent	We have not concluded our assessment of what we believe would be required. We feel this requires further discussion as it is currently unclear what parties should provide. We

	assessment for the ESO to verify whether the site-specific ALFs are a fair and realistic forecast?	think it will be important that the consideration is done in an impartial way and in line with clear standard / quality of data provided by the generator.
7	Should there be any legal obligations on Users to be fully open and transparent with the independent third party and the ESO when calculating a site-specific ALF?	We think it is important for all parties to be confident that an agreed ALF is robust. We would support an obligation on parties to share information on the methodology used and calculation of any site-specific ALF that is agreed with the ESO.
8	Do you agree CMP331 only applies to new generators or should existing generators retrofitting new plant be eligible?	We agree with the principle that the option of ALF self-certification is available to all generation either new or after a retrofit / significant alteration. We agree that more consideration of the impact of this needs to be assessed within this in the workgroup.