

Workgroup Consultation Response Proforma**CMP392: Transparency and legal certainty as to the calculation of TNUoS in conformance with the Limiting Regulation**

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 **5 May 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 terri.puddefoot@nationalgrideso.com or cusc.team@nationalgrideso.com

Respondent details	Please enter your details
Respondent name:	Joseph Henry
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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 Workgroup Consultation questions		
1	Do you believe that CMP392 Original Proposal better facilitates the Applicable Objectives?	<p>Mark the Objectives which you believe the Original solution better facilitates:</p> <p>Original <input type="checkbox"/>A <input type="checkbox"/>B <input type="checkbox"/>C <input type="checkbox"/>D <input type="checkbox"/>E</p> <p>The ESO have articulated initial views within the workgroup report. We will comment further when we have the opportunity to vote, and the Original Proposal of CMP392 is finalised by the Proposer.</p>
2	Do you support the proposed implementation approach?	<p><input type="checkbox"/>Yes <input checked="" type="checkbox"/>No</p> <p>CMP392 Original Proposal, in its current format would require up to 1 additional FTE, for which we would have to source to run this process. The ESO would require a period of time (likely 6 months) to be able to recruit and resource this position, and upskill in order to provide this service. The ESO would need appropriate lead time to do so. For example, if an Authority Decision were to be reached in March of a given year, an April implementation would not give the ESO requisite time to carry out the relevant preparation.</p> <p>Secondly, the ESO note that this modification is being assessed against the CUSC charging objectives. As such, the implementation of any modification would need to be aligned with the charging year, and not one working day after implementation unless directed by The Authority, as per CUSC 8.28.3. This is relevant as the ESO would need adequate time to ensure resource is in place to carry out obligations placed upon the business as a result of CMP392 original proposal.</p>
3	Do you have any other comments?	Not at this point.
4	Do you wish to raise a Workgroup	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	<p>Consultation Alternative Request for the Workgroup to consider?</p>	<p>As noted within the consultation document we are considering raising an alternative post consultation which will align to the information within the guidance note published for 2023/24. The Guidance note provides generator TNUoS payers with the methodology for the calculation, which can be used in conjunction with other ESO produced documents. This would present a more efficient way forwards for the ESO, from a cost and resource perspective.</p>
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Specific Workgroup Consultation questions

5	<p>Do you agree that the proposed methodology and data should be published in full?</p>	<p>Information pertaining to the methodology and calculation of TNUoS charges in regards to the Limiting Regulation are already available in the public domain.</p> <p>The ESO have also highlighted that we will extend the guidance note for future years beyond 2023/24 and make available an offline calculation tool. This will further aid payers of generator TNUoS, providing them access to a tool to calculate charges on a site-by-site basis, whilst presenting a cost and resource saving to the end consumer.</p> <p>As noted in the proposal <i>“the re-formatting process is done manually, ESO resource is finite. Considering the multiple rounds of tariff forecast (from 5 year ahead to quarterly forecast and final tariffs), the efforts spent on publishing this element, does not seem to be proportional for this amount of money involved (<£10m of the £4,5bn TNUoS Revenue)”</i>. As a result, we do not see the process and resource requirements resulting from CMP392 Original Proposal as cost effective and beneficial to end consumers, as transparency is already provided by the publications that the ESO produce.</p>
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