

Code Administrator 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 04 September 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 Teri Puddefoot terri.puddefoot@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details	
Respondent name:	Joseph Henry	
Company name:	National Grid ESO	
Email address:	Joseph.henry2@nationalgrideso.com	
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Which best describes your organisation?	<input type="checkbox"/> Consumer body <input type="checkbox"/> Demand <input type="checkbox"/> Distribution Network Operator <input type="checkbox"/> Generator <input type="checkbox"/> Industry body <input type="checkbox"/> Interconnector	<input type="checkbox"/> Storage <input type="checkbox"/> Supplier <input checked="" type="checkbox"/> System Operator <input type="checkbox"/> Transmission Owner <input type="checkbox"/> Virtual Lead Party <input type="checkbox"/> Other

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	Please provide your assessment for the proposed solution(s) against the Applicable Objectives?	Mark the Objectives which you believe the proposed solution(s) better facilitates:
		Original <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
		WACM1 <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E
		WACM2 <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E
<p>The ESO recognise that all three options are an improvement on CUSC baseline. Since the Workgroup Consultation, our view on full publication has softened somewhat, as we recognise that some Users perceive there to be a benefit in doing so. However, due to the reasons outlined below, we believe WACM1 represents the most efficient option for industry moving forwards.</p> <p>The Original and WACM2, whilst increasing transparency of the calculation, will not enhance the ESO’s already compliant position. WACM1 replicates the Guidance note ‘Calculation of the Generator TNUoS Adjustment Tariff for the purposes of the Limiting Regulation – Guidance for 2023/24’ on an annual basis. We believe that the publication of the methodology used in the calculation is sufficient, and represents the most efficient use of ESO and Industry resource when considering an appropriate solution to this matter.</p> <p>We spoke throughout the workgroup that the Original, and subsequently WACM2, would require extra resource from the ESO in the initial set up of this process. We believe this to be disproportionate to the potential benefits transparency on a site-by-site basis may bring. It would not help nor hinder our pre-existing compliant position and therefore we would argue that WACM1 better facilitates the CUSC objectives.</p>		
2	Do you have a preferred proposed solution?	<input type="checkbox"/> Original <input checked="" type="checkbox"/> WACM1 <input type="checkbox"/> WACM2 <input type="checkbox"/> Baseline <input type="checkbox"/> No preference
		<p>The ESO raised WACM1 as to replicate ‘Calculation of the Generator TNUoS Adjustment Tariff for the purposes of the Limiting Regulation – Guidance for 2023/24’. As the ESO are compliant against regulation 838/2010, we believe that publishing the methodology behind the</p>

		<p>calculation, along with information which is readily available to industry participants, is sufficient and presents the best use of industry resource. This is the ESO's preferred option.</p> <p>The ESO does however also note the perceived benefits put forwards around transparency by the proposer of CMP392. We raised CMP392 WACM2 to ensure that if The Authority decide to accept the Original into the CUSC, then it could be accompanied by a guidance note to aid Users accordingly.</p>
3	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We support the proposed implementation approach.
4	Do you have any other comments?	No comment