

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:	Grace March
Company name:	Sembcorp
Email address:	Grace.march@sembcorp.com
Phone number:	07554439689

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?	Mark the Objectives which you believe the Original solution better facilitates:
		Original <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input checked="" type="checkbox"/> E
		<p>As the publication of the methodology will not result in changes to tariffs, the publication itself will not affect ACOs a, b or c. Should the publication result in a challenge which does change the costs attributed to PEA and PARC, that will not affect the charges applied to any particular generator over another, only the overall adjustment and residual volumes. It will therefore have little to no effect, positive or negative, on competition between generators or suppliers.</p> <p>We also believe the proposal is neutral against ACO d as there is no suggestion that the baseline will not be compliant with the Limiting Regulation or the court’s rulings on its application. The guidance published by the ESO illustrates the principles driving broad compliance. The purpose of the modification is visibility on how exact compliance is achieved.</p> <p>We believe the proposal is positive against ACO e as it</p> <ul style="list-style-type: none"> - Allows users to understand the calculation more completely, including how the adjustment is calculated. - It provides reassurance that the ESO will not change the calculation (to a different, but still compliant, form) without proper consultation or industry awareness
2	Do you support the proposed implementation approach?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Click or tap here to enter text.
3	Do you have any other comments?	We appreciate the ESO’s concerns that creating and maintaining a licence holder list will use extra resources. It seems reasonable that most Users who are interested in this calculation will also be interested in the TnT model

		<p>and so those IPs can be ‘bundled’ into one agreement. There may be a one-off piece of work to contract current TnT licence holders and get their agreement, but it would significantly reduce the ongoing work of two lists.</p> <p>We do not agree that the ESO’s ‘best view’ of individual projects is commercially sensitive – there is significant data already published on connection assets, timelines, pipelines etc for new generation. For existing generation, the relevant information is historic and therefore unlikely to be commercially sensitive. We agree with the proposer that the benefits as identified by the Energy Data Task Force are more important, unless the ESO can give an example (based on reality or theoretical) where the sensitivity is significant enough to justify the lack of transparency.</p> <p>We appreciate more work that would be required, but between forecasts, the manual changes required would be minimal.</p>
4	<p>Do you wish to raise a Workgroup Consultation Alternative Request for the Workgroup to consider?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Click or tap here to enter text.</p>

<p>Specific Workgroup Consultation questions</p>		
5	<p>Do you agree that the proposed methodology and data should be published in full?</p>	<p>We agree that the methodology and data should be published in full, as it would be proof to Users that the ESO is acting in compliance with the Limiting Regulation and enable more informed discussion about its application. The relationship between new and existing assets is likely to change as investment towards Net Zero, which is naturally affect the level of adjustment. Publication of the methodology and data will help industry understand these changes, as they occur.</p>