

CUSC Workgroup Consultation Response Proforma**CMP316: TNUoS Arrangements for Co-located Generation Sites**

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 28 February 2022**. Please note that any responses received after the deadline or sent to a different email address may not receive due consideration by the Workgroup.

If you have any queries on the content of this consultation, please contact Jennifer.groome@nationalgrideso.com or cusc.team@nationalgrideso.com.

Respondent details	Please enter your details
Respondent name:	Chiamaka Nwajagu
Company name:	Orsted
Email address:	chinw@orsted.com
Phone number:	+44(0) 785422 5866

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, the Workgroup 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 CUSC arrangements.*

**Objective (d) refers specifically to European Regulation 2009/714/EC. Reference to the Agency is to the Agency for the Cooperation of Energy Regulators (ACER).*

Please express your views regarding the Workgroup Consultation in the right-hand side of the table below, including your rationale.

Standard Workgroup Consultation questions		
1	Do you believe that the CMP316 Original Proposal better facilitates the Applicable Objectives?	<p><input type="checkbox"/> Yes, it better facilitates objectives:</p> <p><input checked="" type="checkbox"/> A</p> <p><input checked="" type="checkbox"/> B</p> <p><input checked="" type="checkbox"/> C</p> <p><input type="checkbox"/> D</p> <p><input type="checkbox"/> E</p> <p><input type="checkbox"/> No, it has a negative effect on objectives:</p> <p><input type="checkbox"/> A</p> <p><input type="checkbox"/> B</p> <p><input type="checkbox"/> C</p> <p><input type="checkbox"/> D</p> <p><input type="checkbox"/> E</p>
2	Do you support the proposed implementation approach?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>Clarity will be needed on how and if this change will be implemented on applicable existing sites, as well as future co-located sites where it is deemed too late to modify metering arrangements in order to comply with the new charging methodology.</p> <p>We believe that the above-mentioned sites should not be penalised for a revision in the charging methodology. A grandfathering clause should apply to such sites, on the condition they do not make TEC changes.</p> <p>Furthermore, the billing and invoicing of the MFSSTEC sites needs to be well-defined and communicated to impacted sites. It should be clearly defined how the sites will be invoiced. For instance, whether a separate invoice will be issued for each station, as well as an overall invoice that shows the total TNUoS charges liable to the power station.</p>
3	Do you have any other comments?	Clarity is required on the obligations pertaining to separate BMU/Metering for each technology and the applicability of the MFSSTEC methodology.

		<p>Currently, it is proposed that the solution should be mandatory for all MFSS sites with separate BMU/Metering. However, it is not clear which obligation sets the precedence – is the pro-rata methodology mandatory for all MFSS sites with separate BMU/Metering on the basis that MFSS sites will be obligated to install separate BMU/Metering in order for the methodology to be applicable?</p> <p>It can be argued that if it only applicable to MFSS sites that choose to install separate BMU/Metering, it defeats the purpose of all-inclusive cost reflectivity.</p>
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 Click or tap here to enter text.

Specific Workgroup Consultation questions

5	Do you think it is appropriate to publish on the TEC register the MFSSTEC for each technology type? Please give your justification.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No We support publishing the MFSSTEC to enable transparency/visibility of the various technologies and their capacities, and co-utilisation of such technologies on the transmission network. While publishing the MFSSTEC for each technology type may be deemed slightly misleading, as the MFSSTEC may not be a true reflection of actual MFSS capacity and usage, it will likely bear a close enough semblance to actual capacity of such sites.
6	Which of the solutions to source the installed capacity is your preference and why? As set out in the Connection Agreement (Original) or the Declaration route (potential alternative).	<input checked="" type="checkbox"/> As set out in the Connection Agreement (Original) <input type="checkbox"/> Declaration route (potential alternative) <input type="checkbox"/> Other (please describe) We believe that using the Connection Agreement is a sufficient way of sourcing installed capacity. It will reflect the capacity that necessitates/feeds into the sunk costs of the wider transmission network

	<p>infrastructure. Therefore, it is reasonable that the installed capacity is based on what is declared in the Connection Agreement.</p> <p>If there are concerns of sites getting charged disproportionate to the TEC in their Agreement, it is the responsibility of such sites to choose to modify their Agreement to reflect the TEC that is truly utilised.</p> <p>We believe that implementing the Declaration route brings about unnecessary administrative burdens on all involved parties – i.e., ESO and declaring party. This is in addition to the likely complexities (and costs) of establishing stringent measures to mitigate complacency/delay, monitoring and auditing processes, and risks on overall TNUoS calculation should a mishap occur in the declaration process.</p>
--	--