

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:	Nicky White
Company name:	NGESO
Email address:	nicola.white@nationalgrideso.com
Phone number:	+447977 021708

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?	<table border="0"> <tr> <td data-bbox="627 479 991 562"> <input checked="" type="checkbox"/> Yes, it better facilitates objectives: </td> <td data-bbox="991 479 1447 562"> <input type="checkbox"/> No, it has a negative effect on objectives: </td> </tr> <tr> <td data-bbox="627 562 991 618"> <input checked="" type="checkbox"/> A </td> <td data-bbox="991 562 1447 618"> <input type="checkbox"/> A </td> </tr> <tr> <td data-bbox="627 618 991 674"> <input checked="" type="checkbox"/> B </td> <td data-bbox="991 618 1447 674"> <input type="checkbox"/> B </td> </tr> <tr> <td data-bbox="627 674 991 730"> <input checked="" type="checkbox"/> C </td> <td data-bbox="991 674 1447 730"> <input type="checkbox"/> C </td> </tr> <tr> <td data-bbox="627 730 991 786"> <input type="checkbox"/> D N/A </td> <td data-bbox="991 730 1447 786"> <input type="checkbox"/> D </td> </tr> <tr> <td data-bbox="627 786 991 860"> <input checked="" type="checkbox"/> E </td> <td data-bbox="991 786 1447 860"> <input type="checkbox"/> E </td> </tr> </table> <p data-bbox="627 860 1447 1352">CMP316 is expected to remove potential distortions in TNUoS charging for generators and so help facilitate competition in the generation sector. CMP316 will ensure multi-fuel sites are charged more cost-reflectively based on their fuel/technology type and network usage; they will be charged consistently with the principles underpinning generator TNUoS charging. The number of multi-fuel sites is expected to increase and accounting for this in Section 14 ensures the network charging methodology reflects developments in the wider industry. The solution removes ambiguity in charging for co-located sites and clarifies the charging methodology within the CUSC</p>	<input checked="" type="checkbox"/> Yes, it better facilitates objectives:	<input type="checkbox"/> No, it has a negative effect on objectives:	<input checked="" type="checkbox"/> A	<input type="checkbox"/> A	<input checked="" type="checkbox"/> B	<input type="checkbox"/> B	<input checked="" type="checkbox"/> C	<input type="checkbox"/> C	<input type="checkbox"/> D N/A	<input type="checkbox"/> D	<input checked="" type="checkbox"/> E	<input type="checkbox"/> E
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<input type="checkbox"/> D N/A	<input type="checkbox"/> D													
<input checked="" type="checkbox"/> E	<input type="checkbox"/> E													
2	Do you support the proposed implementation approach?	<table border="0"> <tr> <td data-bbox="627 1352 1447 1480"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </td> </tr> <tr> <td data-bbox="627 1480 1447 1765"> <p>The implementation date of this modification is planned for Apr-23. A decision is required by Oct-22 so that the solution is included within both draft and final TNUoS tariffs for 2023/24. The decision date is consistent with timelines to reflect the charging solution within the ESO Billing system and allows sufficient time for the ESO Tariff Setting and Charging processes to be updated.</p> </td> </tr> </table>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>The implementation date of this modification is planned for Apr-23. A decision is required by Oct-22 so that the solution is included within both draft and final TNUoS tariffs for 2023/24. The decision date is consistent with timelines to reflect the charging solution within the ESO Billing system and allows sufficient time for the ESO Tariff Setting and Charging processes to be updated.</p>										
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3	Do you have any other comments?	<p>The proposed solution, which calculates TNUoS charges for a co-located site via a pro rata approach reflecting each fuel/technology type, will provide greater cost-reflectivity to the charging arrangements for co-located sites. NGESO believes this approach is sufficiently generic to map onto other future changes in the network charging arena and would not be precluded by, or preclude, CMP316.</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
		Not at this time

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 type="checkbox"/> Yes
		<input type="checkbox"/> No
		NGESO have no current requirements to publish MFSSTEC for each technology type on the TEC register. NGESO would be supportive of a change to update the TEC register should industry participants find this useful and provides additional transparency for how TNUoS charges are calculated. We understand that this information may be useful for market participants but also that it may be commercially sensitive. We welcome industry's view on this.
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)
		<p>NGESO consider that a record of the installed capacity for each technology/fuel type is essential to be recorded within the Connection Agreement. NGESO require visibility of additional capacity and/or technology types at an existing site. This is an existing requirement (completed via the Modification Application process) as per current process. NGESO's view is that the additional costs associated with this process will be minimal (as it's an existing process) and updating new technology installed capacity values through the connection agreement significantly reduces the opportunity for gaming.</p> <p>The Workgroup have considered possible unintended consequences of this modification solution.</p> <p>It is NGESO's view that administration of a new declaration process would be a significant burden as new processes would be needed to;</p> <ol style="list-style-type: none"> 1. confirm validity of a declaration 2. check and review declaration forecast accuracy, 3. monitoring/enforcement processes

		<p>4. reconciliation/re-billing of charges to sites if any of the are breached.</p> <p>The detailed process of forecast capacities provided via a declaration process remains outstanding and needs to address questions of required accuracy of forecast to support this solution. The associated validation process would also need consideration of appropriate penalties via a reconciliation process should such forecast tolerances be breached.</p> <p>It is NGENSO view that recording fuel/technology types installed capacity via the connection agreement (existing process) is less subjective and results in a simpler and more transparent process to administer and support this solution.</p>
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