

**CUSC Alternative Form**

# CMP316 WACM1: TNUoS Arrangements for Co-located Generation Sites

**Overview:** There are three differences to the original:

- i) The Peak liability is pro-rated using Peak Installed TEC
- ii) The Not Shared Year Round is pro-rated using the ALF to give a scaled Not Shared Year Round liability
- iii) 'Scaled' generic ALFs should be used to scale pro-rated TEC for the Shared Year Round charge

**Proposer:** Grace March, Sembcorp Energy Ltd

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## What is the proposed alternative solution?

- i) The pro-rated TEC used to calculate the peak liability is scaled using the Peak Installed Capacity. However, when total Peak Installed Capacity for the site is lower than the site TEC, then liability will be based on this and not pro-rated TEC. Peak Installed Capacity is the Installed Capacity for any generation type that would normally pay the peak element if it was considered as a non co-located site. Other generation (i.e. Intermittent) has a capacity of 0MW for the purposes of the calculation. Installed Capacity is the same capacity measure used under the Original Proposal to pro-rate TEC.
- ii) The Not Shared Year Round liability would be charged on Installed Capacity rather than pro-rated TEC, where the Installed Capacity has the same meaning as in i) above. Where an individual generation type is classified as Carbon for the purposes of the charging methodology, the relevant actual or generic ALF would be used. However, the total liability for the station will be capped at the level that would apply if the station TEC was charged as a low carbon plant (ie with an effective ALF of 100%).
- iii) Where generic ALFs are used in the calculation of the Shared Year Round tariff, the final calculation should use 'scaled' generic ALFs that more accurately reflect the implied output, as the Shared Year Round tariff is calculated against pro-rated TEC as under the Original Proposal. The factor used to scale the generic ALFs would be calculated as the total Installed Capacity for the station divided by the total TEC for the station.

## What is the difference between this and the Original Proposal?

With regards to differences i) and ii), the Original Proposal pro-rates TEC across all elements of the tariff and therefore does not stay true the intention of the differing wider tariff calculations to reflect (probable) different times of operation.

Differences i) and ii) mean there will be no single capacity (station level or installed) that can be multiplied by 'a wider tariff' to give £ liability. Each sub element of the wider tariff will have a different capacity applied.

Without difference iii), the Original proposal would understate the level of output where the station TEC is less than total installed capacity, or overstate it in the unlikely situation where the station TEC is higher than total installed capacity.

## What is the impact of this change?

### Proposer's Assessment against CUSC Charging Objectives

Relevant Objective	Identified impact
(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>Positive:</b> This creates a final liability that is more reflective of what different generation types are assumed to do if not co-located, and therefore removes any

	false incentive or disincentive to co-locate generation, thus improving competition between generator set-ups
(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);	<b>Positive:</b> The result will use capacities that are more reflective of the fuel-types and there associated costs across the different elements of the tariff
(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;	<b>Positive:</b> no difference from with Original Proposal
(d) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and	<b>None:</b> no difference from with Original Proposal
(e) Promoting efficiency in the implementation and administration of the system charging methodology.	<b>None:</b> no difference from with Original Proposal
*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).	

## When will this change take place?

### Implementation date:

As Original

### Implementation approach:

As Original

## Acronyms, key terms and reference material

Acronym / key term	Meaning
CMP	CUSC Modification Proposal
TEC	Transmission Entry Capacity
ALF	Annual Load Factor

**Reference material:**

1. None.