

# CUSC Alternative and Workgroup Vote

## **CMP424: Amendments to Scaling Factors used for Year Round TNUoS Charges**

**Please note:** To participate in any votes, Workgroup members need to have attended at least 50% of meetings.

### **Stage 1 - Alternative Vote**

If Workgroup Alternative Requests have been made, vote on whether they should become Workgroup Alternative CUSC Modifications (WACMs).

### **Stage 2 - Workgroup Vote**

2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC).

2b) Vote on which of the options is best.

## **Terms used in this document**

Term	Meaning
Baseline	The current CUSC (if voting for the Baseline, you believe no modification should be made)
Original	The solution which was firstly proposed by the Proposer of the modification
WACM	Workgroup Alternative CUSC Modification (an Alternative Solution which has been developed by the Workgroup)

## **The Applicable CUSC Objectives (Charging) are:**

- 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;
- 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);
- 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.

## Workgroup Vote

### Stage 1 – Alternative Vote

Vote on Workgroup Alternative Requests to become Workgroup Alternative CUSC Modifications.

*The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.*

*Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original proposal then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.*

“Y” = Yes

“N” = No

“-“ = Neutral (Stage 2 only)

“Abstain”

**No alternatives have been raised as part of this modification.**

### Stage 2a – Assessment against objectives

To assess the original and WACMs against the CUSC objectives compared to the baseline (the current CUSC).

You will also be asked to provide a statement to be added to the Workgroup Report alongside your vote to assist the reader in understanding the rationale for your vote.

ACO = Applicable CUSC Objective

## ESO

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Martin Cahill - ESO					
Original	<b>y</b>	<b>y</b>	<b>neutral</b>	<b>neutral</b>	<b>y</b>	<b>y</b>
<p>Voting Statement:</p> <p>The proposal will ensure a more cost reflective charging approach by ensuring that generators such as CCGTs (which have a variable scaling factor) are modelled as having net positive output. However, the primary aim of the modification is to ensure that the tariff model does not include any negative scaling factors, and functions as intended.</p> <p>A wider review of backgrounds is taking place through the TNUoS Taskforce which could make further changes to scaling factors to improve cost reflectivity. This proposal would not conflict with any further changes, as the general principle that all generation should be scaled using a non-negative factor is fundamental.</p>						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Hector Perez – Scottish Power Renewables					
Original	<b>neutral</b>	<b>y</b>	<b>neutral</b>	<b>neutral</b>	<b>y</b>	<b>y</b>
<p>Voting Statement:</p> <p>By implementing the proposal and including a lower limit for the variable generation scaling factor mitigates the risk of negative scaling factors, which will potentially break the current TNT model. The proposal will help accommodate the projected growth in flexible generation by integrating the adjustment into users' transmission tariffs.</p>						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Graz Macdonald - Waters Wye & Associates					
Original	<b>neutral</b>	<b>y</b>	<b>y</b>	<b>neutral</b>	<b>y</b>	<b>y</b>
<p>Voting Statement:</p> <p>This mod is an improvement over the current CUSC overall, and specifically in relation to CUSC objectives b, c, and e. It is neutral against the other objectives.</p>						

## ESO

The mod will enable TNUoS charging model solution which would, in coming years, not be feasible in the absence of this mod due to the increase in renewables on the transmission system and the impact on the arithmetic in the model. This is clearly an efficient, simple and pragmatic solution that is required in a faster timeframe than could be implemented from other more complex mods or solutions.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Anthony Dicicco - ESB					
Original	y	y	neutral	neutral	y	y
<b>Voting Statement:</b>  I support the Original Proposal and believe that it supports the general principle that all generation should be scaled using a non-negative factor. The implementation of the Original Proposal will address the defect where the tariff model could include negative scaling factors. Its implementation will allow the tariff model to function as intended. The Original Proposal will support the Applicable CUSC Objectives, facilitating effective competition and result in charges that are cost reflective.						

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Better facilitates ACO (e)	Overall (Y/N)
	Damian Clough – Damian Clough SSE Generation					
Original	neutral	y	neutral	neutral	neutral	y
<b>Voting Statement:</b>  <i>No statement provided.</i>						

Of the X votes, how many voters said this option was better than the Baseline.

Option	Number of voters that voted this option as better than the Baseline
Original	5

## Stage 2b – Workgroup Vote

Which option is the best? Baseline or Original (Proposer solution)

Workgroup Member	Company	Industry Sector	BEST Option?	Which objective(s) does the change better facilitate? (if baseline not applicable)
Martin Cahill	ESO	System Operator	Original	A, B and E
Hector Perez	Scottish Power Renewables	Generator	Original	B and E
Graz Macdonald	Waters Wye & Associates	Consultant	Original	B, C and E
Anthony Diccico	ESB	Generator	Original	A, B and E
Damian Clough	SSE Generation	Generator	Original	B