

CUSC Alternative and Workgroup Vote

CMP428: User Commitment liabilities for Onshore Transmission circuits in the Holistic Network Design

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 are:

- a) The efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence;
- b) Facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity;
- c) Compliance with the Electricity Regulation and any relevant legally binding decision of the European Commission and/or the Agency *; and
- d) Promoting efficiency in the implementation and administration of the CUSC arrangements.

*The Electricity Regulation referred to in objective (c) 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 Workgroup Alternative Requests were raised as part of this modification.

Stage 2a – Assessment against objectives

To assess the Original 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

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Andrew Colley – SSE Generation				
Original	-	Y	-	Y	Y
No voting statement was provided by this Workgroup member.					

ESO

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Calum Duff – Thistle Wind Partners				
Original	-	Y	-	Y	Y
Voting Statement: We are of the opinion that the proposed modification would best enable CUSC objectives B and D. The modification does this by effectively levelling the playing field for generators impacted by the Ofgem classified “Onshore transmission (reinforcements)” from being directly attributable works reducing the risk faced by impacted generators, and effectively promoting competition. In turn this proposal will provide greater clarity to CUSC users, who are and may be in future impacted by assets of this type.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Dennis Gowland – Research Relay Ltd				
Original	Y	Y	-	Y	Y
Voting Statement: a) Helps efficient discharge by making clear where liabilities lie in respect of key (and probably expensive) transmission reinforcement. b) The proposal aids fairness and competition as it seeks to avoid single users holding liability for reinforcement built strategically for many users and to remove boundary constraints. c) Neutral d) Will provide clarity and due process for assets classified by the Authority.					

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Kyran Hanks – WWA Ltd				
Original	-	Y	-	-	Y
Voting Statement: In terms of the ACO (b), this does seem to reduce barriers to entry of new offshore generators. In that sense, it should increase competition between generators which should be to the benefit of customers.					

ESO

In terms of ACO (d), I do not see how reclassification of investment from one definition to another promotes efficiency in the operation of the CUSC. What investment is called does not make the operation of the CUSC better or worse, so it's a neutral.

I have general concerns that a wider review of the role of User Commitments is not part of this – or any – review process.

I also do not see how there will be a record of which assets Ofgem might treat as “excepted”, so I believe there should be some formal record of this, rather than trawling through various Ofgem documents.

Finally, the decision to request Urgency seems to reflect a lack of grip by ESO, since this seems to have been an issue since Ofgem came up with the definition of onshore assets in 2022.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Nitin Prajapati – ESO				
Original	-	Y	-	Y	Y

Voting Statement:

This modification enables circuits classified as onshore transmission (reinforcement) by the Authority in the HND to not be classified as Attributable Works and therefore not impose significant liabilities on certain generators. The proposal enables better cost reflectivity from a User Commitment perspective as it ensures the purpose of onshore transmission (reinforcement) to provide wider system benefit is reflected in the methodology aligned to the asset classification decision from the Authority. This will also help incentivise development in offshore generation and the drive towards net zero.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Ruth Kemsley – EDF Renewables				
Original	Y	Y	-	Y	Y

Voting Statement:

CMP428 will promote the efficient discharge by the Licensee of the obligations imposed on it by the Act and the Transmission Licence, and efficiency in the implementation and administration of the CUSC arrangements, by providing clarity and certainty about specific transmission network elements which are to be

excluded from the Attributable Works for the purpose of calculating User Commitment liabilities. It includes a mechanism for accommodating equivalent excludable network elements in future, to minimise the need for future modifications.

CMP428 will facilitate effective competition in the generation of electricity by helping to ensure that generators which will connect via HND circuits will be subject to fair and appropriate User Commitment liabilities.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Ryan Ward – ScottishPower Renewables				
Original	-	Y	-	Y	Y

Voting Statement:

By implementing the CMP428 proposal this will help provide more cost reflective user commitments. The proposal better facilitates against CUSC Objective B & D.

Objective B: Incorporating “excepted works” into Section 11 of the CUSC aligns the definition of “attributable works” with Ofgem’s determination. This change prevents misallocation of onshore transmission (reinforcement) costs within the HND, benefiting generators and promoting fair competition.

Objective D: The proposal provides enhanced clarity and transparency to developers, supporting their understanding of asset classification and the broader implications of connections.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Sarah Graham – Ocean Winds				
Original	-	Y	-	Y	Y

Voting Statement:

The Original Proposal better facilitates ACO (b) as it incentivises the development of offshore wind projects and hence facilitates effective competition in generation. The Baseline imposes steep initial securitisation demands in grid connection agreements for certain offshore wind projects included in the “Pathway to 2030 (Holistic Network Design)”. These steep initial securitisation demands, which are related to transmission circuits that provide a wider system benefit (boundary reinforcement), pose an enormous obstacle to entry and risk impacting offshore wind deployment scenarios. If the Original Proposal, which provides a more cost reflective approach

ESO

to User Commitment liabilities, was not taken forward, certain offshore wind projects may face abandonment.

The Original Proposal better facilitates ACO (d) as providing clarity on what assets constitute Attributable Works for offshore wind generation projects will promote efficiency in the administration of the CUSC.

Workgroup Member	Better facilitates ACO (a)	Better facilitates ACO (b)	Better facilitates ACO (c)	Better facilitates ACO (d)	Overall (Y/N)
	Tim Ellingham – RWE Renewables Ltd				
Original	Y	Y	-	Y	Y

Voting Statement:

We believe the proposed mod will enable better competition by lowering the financial exposure and therefore reduce discrimination for offshore generators in comparison to onshore. Greater clarity of Attributable Works will be provided by the mod, but due to urgency the mod doesn't feel as it goes far enough into the subject.

Of the 9 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	9

ESO

Stage 2b – Workgroup Vote

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

Workgroup Member	Company	Industry Sector	BEST Option?	Which objective(s) does the change better facilitate?
Andrew Colley	SSE Generation	Generator	Original	B, D
Calum Duff	Thistle Wind Partners	Generator	Original	B, D
Dennis Gowland	Research Relay Ltd	Generator	Original	A, B, D
Kyran Hanks	WWA Ltd	Other	Original	B
Nitin Prajapati	ESO	System Operator	Original	B, D
Ruth Kemsley	EDF Renewables	Generator	Original	A, B, D
Ryan Ward	ScottishPower Renewables	Generator	Original	B, D
Sarah Graham	Ocean Winds	Generator	Original	B, D
Tim Ellingham	RWE Renewables Ltd	Generator	Original	A, B, D